FBIS DAILY REPORT

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ZHIVKOV CONGRATULATES CARTER ON INDEPENDENCE DAY

AU032030 Sofia BTA in English 1851 GMT 3 Jul 80

[Text] Sofia, 3 Jul (BTA)--Mr Todor Zhivkov, chairman of the State Council of Bulgaria, sent a message of greetings to Mr James Earl Carter, president of the United States of America, on the occasion of the national day of the USA. Best wishes for the progress of the American people have been expressed.

Press on U.S. Holiday

AU041414 Sofia BTA in English 0835 GMT 4 Jul 80

["Topical Bequests"--BTA headline]

[Text] Sofia, 4 Jul (BTA)--Under the above headline RABOTNICHESKO DELO editorializes today in connection with the national day of the USA that the American bourgeois-democratic revolution, which despite its narrowness was an important stage in the world historical development, left to the American people the bequests to have nothing in common with aggression and to respect the rights and sovereignty of the other nations. But from the city named after the first American president, calls are heralded of late or directions are given which have nothing in common with the bequests of the father-founders of the United States. Obviously the political conjuncture in the most developed, the most powerful capitalist state has been influencing stronger than ever the foreign policy of the U.S. Government in a way irrational and inadequate to the major world trends.

Recalling the axiom that the world climate depends the strongest on the relationship between the great powers, RABOTNICHESKO DELO stresses that the tireless and consistent efforts of the Soviet Union for understanding with the USA "should be understood properly and valued by their merit by the U.S. administration".

The difference between words and deeds is now worrying gravely those sober-thinking politicians and citizens of the United States, who are aware of the fact that the interests of their people demand of the country to follow a course of detente and international cooperation, notes ZEMEDELSKO ZNAME in a signed article on the same subject.

"These circles see the favourable results of the successes in relaxation of tension achieved in the seventies, of the agreements concluded in the sphere of limiting the arms race and the agreements on development of reciprocally advantageous contacts", notes the paper.

"They also see the unattractive prospects of the pressure exercized by some militarist circles in the USA, who are exacerbating the international situation on purpose. It is clear for the sensible people in the USA that the road of security and cooperation is as useful and necessary for their country, as it is for any other state", concludes ZEMEDELSKO ZNAME.

PRESS COMMENT ON SCHMIDT-BREZHNEV TALKS

AU031025 Sofia BTA in English 0825 GMT 3 Jul 80

["In the Interest of Detente"--BTA headline]

[Text] Sofia, 3 Jul (BTA)--The summit-level Soviet-West German meeting in Moscow is commented on today by most of the Sofia dailies.

RABOTNICHESKO DELO points out that the Brezhnev-Schmidt summit was held in a responsible political moment, when the challenge both for peoples and for state leaders is to prevent a new cold war, to continue the process of political detente and to begin a military one. It is also noted that a real prologue to a new historical period on the continent is the Moscow agreement signed ten years ago on consolidating European security, on which the relations between the USSR and the FRG are built.

RABOTNICHESKO DELO emphasizes: "The new Moscow meeting reaffirmed the consistent line of the Soviet foreign policy. This is a policy of peace, serving political and military detente, of consolidating the trust and understanding of states with different social systems. Realistic and constructive is the Soviet stand in the solving of all topical problems. It has sprung up from the main goal--peace and detente, respecting the partner's interests, with equality and reciprocal security."

In ZEMRDELSKO ZNAME news analyst Petur Kalchev emphasizes that the state of relations between the USSR and the FRG is a sensitive barometer for the international atmosphere, and this is the reason why so important is the unity of views of the two biggest European states that the only correct is the policy of detente, of searching political solutions to the complicated international matters. [as received]

NARODNA ARMIYA notes that the summit-level meetings between the leaders of the USSR and the FRG in the last ten years have unflinchingly promoted the healing of the European and world political climate. They have given fresh impetus to the process of political detente both on the old continent and in the world.

AGRARIAN UNION CONFERENCE CELEBRATES ANNIVERSARY

CPSU Delegation's Arrival

AU062000 Sofia Domestic Service in Bulgarian 1930 GMT 6 Jul 80

[Text] At the invitation of the Bulgarian Agrarian National Union (BANU) Permanent Board, a delegation of the CPSU led by Aleksandr Kharlamov, CPSU Central Committee Auditing Commission member and SELSKAYA ZHIZN editor in chief, arrived today in Bulgaria. The delegation will take part in the celebrations marking the 80th BANU anniversary and the international conference on detente. At Sofia airport the delegation was cordially greeted by Petur Tanchev, BANU secretary and first deputy chairman of the State Council; Nikolay Georgiev, Lalyu Ganchev, Yanko Markov, Angel Dimitrov, Aleksi Ivanov and Dimitur Karamitov, secretaries of the BANU Permanent Board; and Stoyan Tonchev, Pando Vanchev and Prof Dimitur Dimitrov, members of the BANU Permanent Board. Nikita Tolubeyev, USSR ambassador to Bulgaria, and members of the Soviet Embassy were also at the airport.

Polish Delegation's Arrival

AU062001 Sofia Domestic Service in Bulgarian 1930 GMT 6 Jul 80

[Text] A delegation of Poland's United Peasants Party led by Stanislaw Gucwa, chairman of the leading committee, marshal of the Polish Sejm, arrived on 6 July in Bulgaria. The delegation will take part in the celebrations marking the anniversary of the Bulgarian Agrarian National Union (BANU). At Sofia airport the Polish guests were greeted by Petur Tanchev, BANU secretary and first deputy chairman of the State Council, and the BANU Permament Board secretaries and members. Luctan Motyka, Poland's ambassador to Bulgaria, was also at the airport.

Leaders at Conference Opening

AU070824 Sofia Domestic Service in Bulgarian 0800 GMT 7 Jul 80

[Text] On 7 July at Sofia's Moskva Hotel the international scientific conference dedicated to the 80th anniversary of the Bulgarian Agrarian National Union (BANU) and the international meeting-dialogue of detente opened. Delegations and guests from 57 countries and representatives of peasants' and democratic parties and organizations are taking part in this major international event. At 1000, the following persons took their seats in the presidium: Aleksandur Lilov, Pencho Kubadinski, Dimitur Stanishev, Georgi Atanasov and other officials. Nikolay Georgiev, BANU Permanent Board Secretary, opened the conference. A report on Banu's 80th anniversary was read by Petur Tanchev, BANU secretary, who outlined the main periods in the development of BANU.

LYUDMILA ZHIVKOVA COMMENTS ON RETURN FROM USSR

AU032015 Sofia Domestic Service in Bulgarian 1730 GMT 3 Jul 80

[Summary] Tonight Comrade Lyudmila Zhivkova, BCP Central Committee Pulitburo member and chairman of the Committee of Culture, returned from the Soviet Union. She gave an interview on her arrival at Sofia airport, as follows:

[Begin Zhivkova recording] "The strongest impression from this trip is the active construction and creative work being accomplished in all sectors of life in the USSR. We were impressed by the accelerated rate of speed in development, which we felt not only in Latvia, but also in Belorussia, Estonia and [word indistinct]. We became acquainted with many cultural monuments and treasures, as well as many cultural measures. We learned how the cultural and historic heritage is being preserved in those republics. We saw and felt the building of the new socialist culture, and as a result of this visit, new initiatives for expanding and intensifying our cultural cooperation with those republics were created. One of them is the new 5-year plan for science, cultural and education. I would like, on behalf of our delegation, to express cordial gratitude for the useful talks we held with representatives of Soviet culture, and for the opportunity once more accorded to us to expand and intensify our cultural relations." [end recording]

LUKANOV, DELEGATION RETURN FROM YUGOSLAVIA

AU051750 Sofia Domestic Service in Bulgarian 1700 GMT 5 Jul 80

[Text] The Bulgarian economic delegation led by Andrey Lukanov, BCP Central Committee Politburo candidate member and deputy chairman of the Council of Ministers, has returned from Yugoslavia. The delegation paid a 3-day visit to the SFRY at the invitation of Ivan Stambolic, president of the Serbian Executive Council.

DIPLOMATIC RELATIONS WITH CAPE VERDE ISLANDS

AU041959 Sofia BTA in English 1845 GMT 4 Jul 80

[Text] Sofia, 4 Jul (BTA)--The People's Republic of Bulgaria and the Republic of Cape Verde Islands, led by the principles of peaceful co-existence, non-interference in domestic affairs, equality, respecting the sovereignty and mutual benefit, as well as by the readiness to develop their relation of friendship and cooperation, have decided, according to the official announcement, to establish diplomatic relations at embassy level.

FOREIGN MINISTER CHNOUPEK LEAVES FOR AFGHANISTAN

LD062106 Prague CTK in English 1900 GMT 6 Jul 80

[Text] Prague--Czechoslovak Foreign Minister Bohuslav Chnoupek left here on Sunday for an official friendly visit to Afghanistan, at the invitation of Foreign Minister Mohammad Dost.

REPORTAGE ON VISIT BY SFRY'S FOREIGN AFFAIRS SECRETARY VRHOVEC

Chnoupek, Vrhovec Toasts

LD010356 Belgrade TANJUG Domestic Service in Serbo-Croatian 2123 GMT 30 Jun 80

[Text] Prague--Czechoslovak Minister for Foreign Affairs Bohuslav Chnoupek and his guest, federal Secretary for Foreign Affairs Josip Vrhovec, exchanged toasts during a formal dinner given in honor of the SFRY federal secretary.

Welcoming the Yugoslav federal secretary, Minister Chnoupek pointed to the traditional ties of friendship and cooperation between the peoples of the two countries and recalled in this connection the participation of Yugoslav fighters in the battles for the liberation of Czechoslovakia. "We are sincerely pleased with the exceptional results which the talented and industrious Yugoslav people are achieving in the realization of the great tasks of the 11th LCY Congress," Chnoupek said. He continued: "Whenever reference is made to any sphere of our comprehensive relations we always feel the mobilizing impulse of the agreements reached by the top representatives of our parties and countries, Comrade Gustav Husak and Josip Broz Tito, at their meeting in 1973. It is from that time that new and more efficient forms of our economic cooperation stem."

Chnoupek then said that Vrhovec's visit and the forthcoming talks "gain in significance because they are taking place precisely at a time of tension in the world. Czechoslovakia will, for its part, do everything possible so that, in coordination with the efforts of other countries of the socialist community, it may contribute persistently and to the maximum creative degree to the further materializing of the process of relaxation."

In his toast, Chnoupek also recalled the decisions of the Political Consultative Committee of the Warsaw Pact held recently in Warsaw, and in particular the proposal to hold as soon as possible a conference of heads of state of the entire world. "We resolutely advocate that preparations be accelerated to convene the conference on military relaxation and disarmament in Europe, which should be held in Warsaw. We demand the cancellation or at least a halt to the realization of NATO's decisions to deploy new U.S. missiles in some West European states. We urge that concrete steps be taken to achieve a positive change in the broad spectrum of disarmament, in the first place for the ratification of the SALT II agreement. We have sincere interests in the constructive preparation and the successful course of the Madrid meeting." The Czechoslovak minister then said that Soviet President Brezhnev's statement at the CPSU Central Committee session last week, when he said that "we shall not spare efforts to preserve the process of relaxation of tension," also express Czechoslovakia's attitude. "Allow me to stress also on this occasion how we assess the significant role which Socialist Yugoslavia plays in international life, and above all in the struggle for peace and disarmament, for national independence and equitable international cooperation in all spheres, and which is also felt so clearly in the nonaligned movement in which Yugoslavia, as the coorganizer, has such a great authority," Chnoupek said.

He expressed the conviction that his talks with Vrhovec will represent a great contribution to the development of Czechoslovak-Yugoslav relations, contribute to a better knowledge of the life of the peoples of the two friendly countries and represent a contribution to the struggle for peace and relaxation of international tension.

Thanking his host for his toast, Josip Vrhovec, the federal secretary for foreign affairs, also stressed that the friendship between the peoples of Czechoslovakia and Yugoslavia is traditional and that many Czechs and Slovaks in Yugoslavia had fought, together with the Yugoslav liberation army, not merely for the liberation of Yugoslavia but also for the liberation of other enslaved peoples of Europe. Friendship on such a foundation represents the basis for continued relations between the peoples of our countries, Vrhovec said. He went on to express the wish that comprehensive cooperation and friendly relations between our countries should develop successfully in the future. He added that the firm foundations for such relations had been laid by our presidents, Comrades Tito and Husak.

Vrhovec continued: "We have always believed that these aspirations should be the firm signpost of active peaceful coexistence. We also believe that it is only through consistent respect for the principles of peaceful coexistence that the process of relaxation of tension in the world can successfully proceed.

"It seems to us that it is of particular importance to stress this again today when we are again lapped by the waves of exacerbation and tension in international relations. The causes of such an exacerbated situation in the world lie in the growing application of force, interference in the internal life of sovereign countries, and in various forms of pressures and in foreign will being imposed upon others.

"The continuing arms race as well as the dangerous widening of the gap between industrially developed and developing countries also contribute to the continued worsening of the world situation."

In advocating joint elimination of these causes, Vrhovec stressed that all the documents of the nonaligned movement "point out that real solutions to the dangerous crises and major problems of today's world cannot be found in bloc rivalries."

"We believe," Vrhovec said, "that good and objective possibilities exist for us to strengthen in international relations those elements which will contribute to overcoming this division and to strengthening general cooperation by all countries on an equitable basis, and to equal security for all.

"Now, in our view, particular attention should be paid to detente in Europe because it would be very dangerous if the general exacerbation also gripped our continent."

Stressing that Yugoslavia pays great attention to the successful preparations for the Madrid meeting, Vrhovec said that we wish "to do everything possible in order that the contents of all the 'baskets' be implemented in a balanced manner. What we have in mind in particular at this point in time is the strengthening of military detente as well as measures of trust in general."

"Only through the consistent implementation of the Helsinki concept of Europe can our continent look with optimism to the future. This must be the joint vital interest of all European countries regardless of their foreign political orientation."

"Your country," the federal secretary continued, "belongs to a military-political alliance; my country consistently follows the policy of nonalignment.

"However, it is our deep conviction that we can cooperate in the struggle for peace and security in the world, equitable cooperation, the right of peoples to live in their own way, the strengthening of independence and sovereignty of all countries. These are the natural aspirations not merely of our peoples but of all mankind.

"Yugoslavia has placed the struggle for the implementation of these noble goals at the foundation of its entire international activity."

"At the same time we are resolved to continue our support and assistance to the peoples and countries fighting for independence from colonial yokes and other forms of foreign domination. With our peaceful and constructive policy we wish to contribute to world peace and the general progress of mankind."

"I would like", Vrhovec concluded, "to express our satisfaction with the successful development of relations between our countries, in particular in the economic sphere. We believe that even broader possibilities exist for the comprehensive promotion of these relations, for the strengthening of understanding between us and mutual respect, as well as for further deepening friendship between our peoples."

Received by Chnoupek

AU071325 Prague RUDE PRAVO in Czech 2 Jul 80 pp 1, 2

[CTK Report: "Positive Appraisal of Relations Between the CSSR and the SFRY; Comrade G. Husak Received J. Vrhovec; Yugoslav Guest Also Received by Comrade L. Strougal; Czechoslovak-Yugoslav Negotiations in the Cernin Palace"]

[Excerpt] Prague, 1 July, CTK--Negotiations between Bohuslav Chnoupek, CSSR minister of foreign affairs, and Josip Vrhovec, SFRY federal secretary of foreign affairs, began this Tuesday in the Cernin palace in Prague-Hradcany.

The two sides stated that an all-round development of mutual relations and bilaterally beneficial cooperation had taken place in the last few years. They also expressed interest in the further dynamic development of economic development in particular, especially in the higher forms of economic cooperation--production cooperation and specialization. The mutual goods exchange between Czechoslovakia and Yugoslavia will this year amount to $1.2 billion.

In a friendly, frank atmosphere the two representatives assessed the present international situation and the topical questions of foreign policy, particularly the maintenance of peace, international detente and mutually advantageous cooperation in Europe and in the world, based on equal rights.

They expressed concern over the aggravation of the present international situation. They assessed the cause and consequences of this aggravation and they agreed that it continues to be necessary constantly to consolidate trust between nations and states; to activate efforts aimed at maintaining peace and at halting the arms race; and to do everything possible for the contuation of the process of international detente. In this connection the significant role of the movement of nonaligned countries and all progressive forces in the battle for peace, international security and cooperation was also pointed out.

During their negotiations the two ministers reconfirmed the resolve of their governments strictly to respect and consistently to fulfill the stipulations of the final act of of CSCE meeting in Helsinki. [paragraph continues]

At the same time they stressed the interest in the constructive course and positive results of the Madrid meeting of states that were signatories of the Final Act of Helsinki--a meeting that should play an important role in the process of further detente, the consolidation of security and trust in interstate relations and the development of mutually advantageous cooperation in Europe, and also decide on the convocation of a conference on military detente and disarmament in Europe. Minister Chnoupek at the same time stressed the significance of peaceful proposals submitted by the countries of the socialist community, which emerged from the latest negotiations of the Warsaw Pact countries' Political Consultative Committee this May in Warsaw.

Tour of Cooperative

LD031616 Prague Domestic Service in Czech and Slovak 1300 GMT 3 Jul 80

[Excerpt] Josip Vrhovec, federal secretary for foreign affairs of the SFRY, today visited the unified agricultural cooperative Pokrok at Chorvatsky Gros in Slovakia. He was accompanied by Czechoslovak Minister of Foreign Affairs Bohuslav Chnoupek and other officials.

Interview on Visit

LD032050 Prague Domestic Service in Czech 1630 GMT 3 Jul 80

[Text] At the end of his official, friendly visit Josip Vrhovec, SFRY federal secretary for foreign affairs, has given an interview to Ladislav Sakal, a reporter of the Czechoslovak Radio: [begin recording]

[Question] Comrade federal secretary, could you please assess the current development of cooperation between Czechoslovakia and SFRY?

[Answer--in Serbo-Croatian with Czech translation superimposed] Briefly, I would say that we assess these relations as good and developing successfully. Above all, we have good economic relations and cultural cooperation, and relations in other areas as well. I think that this is important, for we have many reasons for developing such friendly cooperation. Friendship between our two countries, too, is traditional. Although we know, at the same time, that there are certain different views on certain issues and problems in the world, I believe that this is not an obstacle to the successful development of our relations. I also believe, however, that it would be a good thing if both sides made an even greater effort to expand cooperation in the economic sphere, which has attained a considerable level--it has surpassed the sum of $1 billion. In the cultural field we have already attained a considerable level of development. There is also a great exchange of people, as Yugoslav citizens visit Czechoslovakia and many people from your country come to our country, which is contributing to the creation of a favorable atmosphere of mutual understanding, which in turn facilitates the development of relations between our two countries.

[Question] What is your view of the current development of relations among the European states, 5 years after the signing of the Final Act of the Helsinki conference, and what do you see as the mission of the coming Madrid meeting of its participants?

[Answer] I think that we, too, have placed our bilateral relations in such a broader concept of our intentions as to make life on our continent more secure and so as to carry out cooperation on the basis of the letter and spirit of the Helsinki documents.

I think that in this respect considerable progress has already been made, although we still have certain difficulties. These difficulties must, however, be eliminated by the joint effort of all European countries. For us, the Helsinki document is very important because it shows the perspective of all-round European cooperation and the strengthening of European security free of the burden of various antagonisms of a politically divided Europe, enabling all European nations to build common peace and common security so as to, through this effort, create conditions for their own social progress as well. We also view the significance of the Madrid meeting in this sense, for we are of the view that any meeting that discusses these issues in a constructive manner provides further perspectives.

General security is a particularly important issue, especially now when a new aggravation of relations has occurred in the world and when we in Europe have reached a state that we are able to protect it sufficiently against the threat of the violation of peace. We must not, however, be satisfied that we are protecting peace in Europe in isolation, for we must make use of the possibilities of the further relaxation of tension on the European Continent as a basis of our effort to continually renew the process of relaxation. We must therefore do everything possible to prepare the Madrid meeting well as as to ensure its success.

[Question] Your visit is an inseparable part of the friendly relations between the nations of Czechoslovakia and fraternal Yugoslavia. How do you assess it?

[Answer] I have come on this visit at the invitation of your minister of foreign affairs, Comrade Chnoupek, and naturally we had a great deal of interest in making use of this visit of mine for briefing each other, for exchanging views and finally for ascertaining areas in which we can cooperate. This is because our aims are close or the same. We also wanted to take the opportunity of the visit to discuss areas in which our views are not identical and in which we hold different views in order to better understand mutual positions. I want to state that I have been received very cordially in your country. Naturally, this reception and the expressions of friendship have not been addressed solely to my person but also to the peoples of Yugoslavia; that is another expression of friendship and understanding between our nations.

During my brief visit in your country I have been received by your president, Comrade Gustav Husak, and the premier, Comrade Lubomir Strougal. I had with them a very important and beneficial exchange of views. With Minister Bohuslav Chnoupek, we had a very frank, cordial and friendly dialogue. Overall, I would assess this visit of mine in Czechoslovakia as very successful. We have also been in Slovakia, where we had talks with Comrade Peter Colotka and Jan Janik. The assessment of my visit also relates to my brief and pleasant stay in Slovakia. On the whole, I can say that this visit has been very useful. It is another step toward the successful development of all-round cooperation between our two countries and toward further mutual understanding. [end recording]

RCP SECRETARY CAZACU MEETS WITH OFFICIALS, DEPARTS

Meeting With Husak, Bilak

LD031752 Prague CTK in English 1715 GMT 3 Jul 80

[Text] Prague--General Secretary of the Czechoslovak Communist Party Central Committee and President Gustav Husak received here Thursday member of the Political Executive Committee and Secretary of the Romanian Communist Party Central Committee Virgil Cazacu, who is on a working visit in Czechoslovakia.

They evaluated the significance of friendly relations and all-round cooperation between the two fraternal parties and countries in fulfilling the tasks of the 15th Congress of the Czechoslovak Communist Party and the 12th Congress of the Romanian Communist Party as well as the efforts to promote and expand these relations in the interest of unity of the socialist countries, peace and progress in the world. They stressed the positive contribution of working meetings and personal contacts between leading representatives of the two parties to the exchange of experience from party work as well as on topical issues of international developments and the situation in the international communist and workers' movement. The meeting was also attended by member of the Presidium and Secretary of the Czechoslovak Communist Party Central Committee Vasil Bilak.

Departure 4 July

LD041648 Prague Domestic Service in Czech and Slovak 1600 GMT 4 Jul 80

[Text] Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, and Virgil Cazacu, member of the Political Executive and secretary of the RCP, have expressed the usefulness of their meetings in Prague and the willingness of both parties to continue cooperation. This cooperation is to continue in the interest of the further deepening of relations between the two parties and states and the strengthening of the unity of the socialist community. Virgil Cazacu left for Romania today. He was seen off at Ruzyne airport by Comrade Vasil Bilak.

HAMAN RECEIVES BULGARIAN PARTY STUDY DELEGATION

LD050918 Prague Domestic Service in Czech 0230 GMT 5 Jul 80

[Text] Josef Haman, secretary of the CPCZ Central Committee, received in Prague yesterday a study delegation of the Bulgarian Communist Party Central Committee, which is ending its visit to Czechoslovakia. The guests have been familiarizing themselves in our country with experiences gained in securing the development of crop production, its concentration and specialization and with the progress made in applying the improved system of management of the national economy.

DEPUTY PREMIER SIMON RECEIVES HUNGARIAN AMBASSADOR

LD050958 Prague Domestic Service in Czech 0400 GMT 5 Jul 80

[Text] Deputy Federal Premier Josef Simon received Hungarian Ambassador Bela Kovacs in Prague yesterday. Their talk concerned specific questions involving the intensification of economic cooperation between the two states.

POLEDNIK RECEIVES GREEK PASOK DELEGATION

AU021140 Prague RUDE PRAVO in Czech on 1 Jul 80 p 2

[CTK report: "A Friendly Meeting"]

[Text] Prague, 30 June--CPCZ Central Committee Secretary Jindrich Polednik received on Monday [30 June] a delegation of the Greek Panhellenic Socialist Movement (PASOK) led by Akis Tsochatzopoulos, Politburo member of the party's Central Committee, which is in Czechoslovakia at the invitation of the CPCZ Central Committee.

In a friendly conversation they exchanged views on the topical issues of the present international situation and expressed their joint determination to strive for the preservation and intensification of the process of detente, disarmament and consolidation of peace in Europe and in the world as a whole. The PASOK delegation was also received by the CPCZ Central Committee International Affairs Department for an exchange of views on the further development of contacts and cooperation between the two parties.

GREEK COMMUNIST PARTY DELEGATION DEPARTS FOR HOME

AU031332 Prague RUDE PRAVO in Czech 2 Jul 80 p 2

[CTK report: "Delegation of the Greek Communist Party Has Departed for Home; On Experience in Agriculture"]

[Text] Prague, 1 Jul, CTK--The study delegation of the Communist Party of Greece, led by Ilias Papadimitriu, member of the Regional Committee of the Communist Party of Greece for Thesalia, which visited the CSSR from 22 June to 1 July 1980 at the CPCZ Central Committee's invitation, departed on Tuesday by air from Prague for Athens.

During its visit to Czechoslovakia the delegation acquainted itself with the CPCZ's experience and activities in the agricultural sector. It conducted talks with the representatives of CPCZ Central Committee's departments of party work in agriculture, the food industry, and forest and water economy, and it visited unified cooperative farms, state farms and food industry enterprises in various regions, where--in cordial talks with the working people--it acquired knowledge about agricultural production and the general economic, social and cultural advance of our rural areas.

In the course of its stay in the CSSR the delegation members were received by Milos Jakes, CPCZ Central Committee Presidium candidate member and secretary. In a sincere comradely talk the representatives of the two parties informed each other about the situation in their countries and about the tasks of the CPCZ and the Communist Party of Greece in the spheres of agriculture and the food industry.

The delegation highly appraised the results of socialist agriculture in Czechoslovakia. Its visit was yet another contribution toward deepening and consolidating the traditional fraternal relations of internationalist cooperation between the CPCZ and the Communist Party of Greece.

HUSAK RECEIVES NEW AMBASSADOR TO IRAQ

LD031426 Prague Domestic Service in Czech and Slovak 1300 GMT 3 Jul 80

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, received Jan Straka, new Czechoslovak ambassador to the Republic of Iraq, in Prague today prior to the commencement of the ambassador's tour of diplomatic duty.

POLEDNIK DISCUSSES YOUTH COOPERATION WITH USSR OFFICIAL

LD042124 Prague Domestic Television Service in Czech and Slovak 1730 GMT 4 Jul 80

[Text] Vladimir Aksenov, chairman of the USSR Committee for Youth Organizations, who is in Czechoslovakia on a working visit, was received in Prague today.

He was received by Jindrich Polednik, secretary of the CPCZ Central Committee, who discussed with him questions concerning cooperation between the Socialist Youth Union and Komsomol within the framework of the international youth and students' movement.

KORCAK ADDRESSES FRIENDSHIP RALLY WITH USSR

ID062118 Prague Domestic Television Service in Czech and Slovak 1730 GMT 6 Jul 80

[Text] After Moravska Trebova, Policka and Jevicko, Svitavy was the place where today a district peace and Czechoslovak-Soviet friendship rally was held. The Mir stadium was filled by more than 12,000 working people and youth from the Svitavy area. The celebrations this year were attended by a party and government delegation led by Josef Korcak, member of the Presidium of the CPCZ Central Committee and premier of the Czech SR, and by representatives of party and state bodies of the region and district and other guests. Comrade Korcak delivered a festive speech.

[Begin Korcak recording] A few days ago we crossed from the first half of this year and entered the last months of the Sixth 5-Year Plan. On the basis of the experiences gained in the 5 and 1/2 year period we can say that the plans of the 15th congress have been correct and realistic. Our society is strong economically, firm politically and has a favorable position in the world. Our material resources create conditions for a further successful approach. Tomorrow is not going to be easy. Tasks will be more difficult and the future will demand more from us. However, we can look to the future with faith. We can build on firm foundations, lean on bright prospects. We have prerequisites for our country to develop successfully in the 1980's. [end recording]

CPCZ, GOVERNMENT, FRONT STATEMENT ON 1980 SPARTAKIAD

AU031350 Prague RUDE PRAVO in Czech 2 Jul 80 p 1

[CTK report: "High Appreciation of and Thanks to the Heroes of the 1980 Spartakiad; Statement by the CPCZ Central Committee Presidium, the CSSR Government and the Central Committee of the CSSR National Front"]

[Text] Prague, 1 July--The 1980 Czechoslovak Spartakiad solemnly crowned the celebrations of the 35th anniversary of the culmination of the national liberation struggle of our people and of Czechoslovakia's liberation by the Soviet Army. Owing to its success in villages, towns and districts up to its culmination in the Strahov stadium and due to its entire atmosphere the Spartakiad became a magnificent and spontaneous demonstration of our people in support of socialism, the policy of the CPCZ, friendship with the Soviet Union and peace and progress in the world and an expression of their profound socialist patriotism and internationalism. It provided convincing evidence of the high level of our physical education movement, which can be attained only in the conditions of the socialist society.

The 1980 Czechoslovak Spartakiad was a truly social feat of millions of citizens of our socialist homeland. The Czechoslovak Physical Education Union, the Revolutionary Trade Union Movement, the Socialist Youth Union, the Union for Cooperation with the Army and other organizations associated in the National Front as well as the Czechoslovak People's Army, national committees, schools, educational establishments for apprentices and other organizations and institutions took part, in close comradely cooperation, in its preparations and realization. [paragraph continues]

The CPCZ Central Committee Presidium, the CSSR Government and the Central Committee of the CSSR National Front highly appreciate the work of all organizers, composers, instructors and officials, whose zeal and dedicated work contributed to the success of the Spartakiad. All the gymnasts especially deserve our sincere appreciation and thanks for their perseverance, high morale, consciousness and discipline, and for the outstanding fulfillment of their exacting tasks. Recognition is also due to the tourists and other athletes who also took part in the successful culmination of the Spartakiad.

The Spartakiad successfully fulfilled its intrinsic purpose--to enlist additional hundreds of thousands of our citizens, especially young people, for participation in physical education. The CPCZ Central Committee Presidium, the CSSR Government and the Central Committee of the CSSR National Front voice the deep conviction that for all Spartakiad participants and other citizens, physical education, sport and tourism will become a regular and favored part of their lives, fill their leisure time with joyous moments, promote their health and physical fitness and will contribute to the formation of a harmoniously developed socialist personality, a conscious builder of the socialist society in our homeland.

CENTRAL COMMITTEE, OFFICIALS REVIEW CEMA MEETING RESULTS

LD041724 Prague Domestic Service in Czech 1330 GMT 4 Jul 80

[Text] The Presidium of the CPCZ Central Committee and the federal government have discussed the results of the 34th CEMA session held in Prague 17-19 June this year, the year of significant anniversaries: 110 years since the birth of V.I. Lenin and 35 years since the defeat of fascism and the liberation of Czechoslovakia by the Soviet Army. They noted that the results attained in the socio-economic development of the council's member states, as demonstrated by the advantages of allround cooperation between the socialist countries, were reinforcing the world socialist system and the influence of the ideas of Marxism-Leninism in the world.

Economic and scientific-technical cooperation between the CEMA member states is an expression of their firm unity and fraternal relations. The socialist countries want to develop simultaneous relations also with other states and international organizations in conditions of peace and an atmosphere of international detente on the basis of equality and mutually advantageous exchanges. In addition to traditional cooperation with the SFRY, the CEMA member states are expanding contractual relations with the Republic of Finland, the Republic of Iraq and the United States of Mexico. Cooperation with the Angolan People's Republic, the Afghanistan Democratic Republic, the Yemen People's Democratic Republic, the Kampuchean People's Republic, the Laos People's Democratic Republic, the Mozambique People's Republic and Socialist Ethiopia are growing in importance. Conditions exist for wider mutually advantageous cooperation with these and further developing countries.

Defying attempts by Western imperialist circles to complicate the international situation the socialist countries, led by the Soviet Union, are consistently pressing ahead with the demand for the preservation of world peace, the elimination of the threat of war and all types of discrimination as was discussed at the recent meeting of the Political Consultative Committee of the Warsaw Pact member states. The Presidium of the CPCZ Central Committee and the federal government highly appraised the contribution of the 34th CEMA session to the substantial intensification of mutual economic cooperation and the economic integration of the countries of the socialist community and their significance for the development of the Czechoslovak economy.

They stressed that the planned development of the national economy of Czechoslovakia and cooperation with the Soviet Union and the other socialist countries to a large degree made it possible to avoid the adverse effects of the crisis-ridden developments in the capitalist world. Multilateral and bilateral cooperation between the council member states constituted today and in the future an irreplaceable source of increasing the efficiency of the Czechoslovak national economy, the implementation of the economic and social policy developed by the 15th party congress and the fulfillment of the tasks to be set before us by the 16th CPCZ Congress.

The coordination of the economic plans of the CEMA member states for 1981-85 is an important stabilizing factor in the current world economic situation. The Presidium of the CPCZ Central Committee and the federal government attach great importance to the solution of the most pressing social tasks in the interest of the practical implementation of long-term target programs of cooperation adopted in the past 2 years. The development of the fuel, energy and raw material bases, a more effective utilization of domestic fuel, energy and material resources, the intensification of specialization and cooperation in production and technical progress in engineering, electrical engineering, electronics, chemistry, agriculture and transport are of primary importance.

Czechoslovakia will make a consistent contribution to intensive production scientific and technical cooperation under long-term plans up to 1990. Significant tasks pertaining to the intensification of the Czechoslovak economy and raising its efficiency as well as the acceleration of scientific and technical development are assuming primary urgency. To achieve this, planning, management and the organization of the national economy are being improved.

The Czechoslovak Socialist Republic values the approach and understanding shown by the Soviet Union for the solution of the long-term requirements of our national economy. The Presidium of the CPCZ Central Committee and the federal government have unanimously endorsed the conclusions of this year's 34th CEMA session, approved the position taken by the Czechoslovak delegation at the session and adopted concrete measures for their implementation. They believe that the conclusions of the session will make a significant contribution to the future growth of the economic strength and prestige of the socialist community, to the promotion of allround cooperation between the peoples in the interest of consolidating world peace and progress throughout the world.

STROUGAL PRESENTS ORDER OF LABOR TO TIBOR KURTHA

LD041007 Prague Domestic Service in Czech 0900 GMT 4 Jul 80

[Text] Gustav Husak, president of the republic, has conferred the Order of Labor on Tibor Kurtha, first deputy minister of metallurgy and heavy engineering, in recognition of many years of distinguished economic and political work in developing our engineering sector. The high state distinction was handed over in Prague today by Federal Premier Lubomir Strougal. He praised the devoted work of Comrade Kurtha and his efforts in building an advanced socialist society.

BRIEFS

VISITING COLOMBIAN PARLIAMENTARIANS--J. Srb, CSSR Federal Assembly deputy chairman, and R. Nejezchleb, deputy chairman of the assembly's Chamber of People, received on 24 June in Prague a group of Colombian deputies in the presence of G. Eastman Mejia, Colombian ambassador to the CSSR. [Bratislava PRAVDA in Slovak 25 Jun 80 p 2 AU]

HONECKER INTERVIEWED ON UPCOMING TALKS WITH FRG'S SCHMIDT

LD041848 East Berlin ADN International Service in German 1441 GMT 4 Jul 80

[Text] Berlin--The secretary general of the SED Central Committee and chairman of the GDR State Council, Erich Honecker, on Friday received the president of Pergamon Press LTD Robert Maxwell.

In the course of a frank and lively exchange of views Erich Honecker gave the English publisher, who publishes the "Leaders of the World" series, an interview lasting several hours on fundamental questions of the GDR's domestic and foreign policy, as well as on international problems.

The text of the interview, which contains over 50 questions and answers, is published in Erich Honecker's autobiographical book "From My Life", which will be published by Pergamon Press LTD in the "Leaders of the World", series at the end of August in German in the FRG, in Austria and in Switzerland, and in November in English in Britain, the United States, Canada, India, Australia and other countries.. In his book, Erich Honecker writes about personal experiences and important political events. The author deals in detail with the basic principles of the GDR's development, the essence and aims of its policy, as well as its secure prospects within the community of the socialist states.

Some of the chapters in the book are entitled "From a Working Class Family", "The Birth of Our State", "13 August 1961", "Interest in Sport", "Two German States", "Between Manila and Havana", and "Concerning Current Political Questions". During the interview Erich Honecker answered the following questions:

[Question] During the past few weeks meetings of statesmen in Belgrade, Vienna and Moscow have created what I believe is a somewhat more favorable situation. Do you agree with this and how would you comment on it?

[Answer] I share your view that the meetings of statesmen in Belgrade, Vienna and Moscow have created a somewhat more favorable international situation. It is, after all, noteworthy that ever broader circles are arriving at the view that the dialogue between states of different social systems must be continued in the interest of peace.

[Question] Do you believe that the recent trip of Federal Chancellor Schmidt to Moscow can separate the dialogue between the two German states from the crisis in world affairs?

[Answer] As I see it, it is not a question of separation, but of defusing the international situation. Of course we are endeavoring together with our allies to prevent the present international tension from affecting European relations. That would be a great tragedy. The policy of confrontation presently pursued by the United States must not be allowed to extend to our continent. A normal situation on this continent is a question of vital interest for all Europeans, and that includes the citizens of the FRG and the GDR as well as their neighbors.

As you know we are in favor of preserving and developing everything positive that has emerged from Europe in the course of the years in international relations, and of securing the continuation of detente in the 1980s as the determining tendency in international affairs.

[Question] The forthcoming meeting between yourself and Federal Chancellor Schmidt will surely also be of importance in relation to world affairs. Would you like to say something about this?

[Answer] I do not like to talk about the importance of Germans in world affairs. The two world wars which have emanated from German soil have caused far too much harm. I think that the most important contribution which the Germans of the Federal Republic and the GDR can make to peace is the further normalization of relations between the two German states in accordance with international law, and to support all proposals aimed at reducing the present international tensions.

[Question] Is the four-power agreement on West Berlin working satisfactorily and how do you assess the development of relations between West Berlin and the GDR?

[Answer] The quadripartite agreement on West Berlin of 3 September 1971 is working, by and large, very well indeed. It not only reduced a source of tension but also resulted in easier conditions in many respects in the relations between West Berlin and its environment, including its connections with the Federal Republic of Germany. One need only compare the traffic of persons and goods during 1979 with that of 1969 to see that this agreement has had an extremely positive effect on the development of West Berlin.

For this and various other reasons I find it difficult to understand why some people are constantly trying to test the agreement to the maximum. This carries with it the danger of undermining the very existence of West Berlin. I am particularly referring to attempts to undermine the basic conditions of the quadripartite agreement according to which West Berlin is not a constituent part of the FRG and cannot be governed by it. Endeavours of this kind are doomed to failure. Anyone who supports peace and the peaceful coexistence of peoples should also be interested in the strict adherence and full applications of the quadripartite agreement on West Berlin.

Considering everything, one would be justified in saying that relations between West Berlin and the GDR have developed positively. Every permanent resident of West Berlin has seen convincing proof of the fact that all steps involving cooperation with the GDR, be it questions concerning traffic, sewage or economic ties, have only been advantageous to the population of West Berlin. We are always ready to take further constructive steps be it in the sphere of traffic, in the further development of economic ties or in other spheres, advantageous to both sides.

[Question] The communique, which was published at the end of Federal Chancellor Schmidt's visit to Moscow, contains formulations on Berlin and the quadripartite agreement, which, I believe, water down earlier formulations. What are the political reasons for this do you think?

[Answer] Because of various reports I have had another look at the communique. I do not think that the formulations about the quadripartite agreement on West Berlin of 3 September 1971 have been watered down. Both sides have emphasized that it is necessary to observe this agreement strictly and apply it fully. This applies above all to the observance of its crucial provision that West Berlin is not a constituent part of the FRG and must not be governed by it.

[Question] What do you think of L.I. Brezhnev's statement on the occasion of Federal Chancellor Schmidt's visit that the USSR is prepared to negotiate over medium-range missiles without insisting on NATO setting aside its counter-arming decisions?

[Answer] During the visit of Federal Chancellor Helmut Schmidt, Leonid Ilich Brezhnev indeed made some proposals which may help to overcome the impasse in the disarmament dialogue which has resulted from NATO's Brussels missile decision. The suggestion has been made, which Federal Chancellor Helmut Schmidt passed on to Washington, to enter into preliminary negotiations on nuclear medium-range weapons.

The discussion of this question could start without waiting for the ratification of the SALT II agreement. It must of course be remembered that any possible agreements between the USSR and the United States can come into force only after the ratification of the SALT II agreement. It is hoped that SALT II will be ratified.

[Question] What possibilities and prospects do you see of any further progress being made at the next CSCE conference in Madrid regarding an extension of confidence-building measures in Europe?

[Answer] I certainly perceive such possibilities and prospects. What matters is that all sides should constructively tackle the preparations for the CSCE conference in Madrid. As you know the GDR is also endeavouring through multilateral consultations with governments of Western states to introduce those questions into the negotiations whose solution will help to consolidate mutual confidence in Europe and to achieve genuinely positive results.

[Question] Does the GDR see possibilities of negotiations on medium-range missiles being held between NATO and the Warsaw Pact states, or do you believe that these negotiations should be conducted exclusively between the USSR and the United States?

[Answer] In my opinion negotiations on these questions can be conducted only between the USSR and the United States if they are to be successful.

[Question] Do you believe that negotiations on medium-range missiles can take place and that positive results can be achieved although SALT II has not yet been ratified?

[Answer] I have already pointed out that such a possibility exists. However any results that are achieved can come into force only with the ratification of SALT II.

[Question] How do you see the prospects of economic relations between the two German states?

[Answer] Trade between the GDR and the FRG is developing fairly well. This year it is in better balance. If things continue at the present level, we shall reach a volume of M10 billion in 1980.

[Question] How do you assess Federal Chancellor Schmidt's visit to Moscow?

[Answer] The results of this visit are evidently extremely useful for the continuation of the process of detente in Europe. Unfortunately I cannot yet say whether they will meet with a corresponding response in the United States.

[Question] Many people in Europe believe that the European situation will depend on the relations between you and Federal Chancellor Schmidt. What do you think about this?

[Answer] As I have already said, the normalization of relations between the two German states is an essential element of detente in Europe. If, in conformity with the existing treaties sovereignty and independence is respected by both sides, and universally valid norms of international law are observed, then this will have a positive influence on the European situation. It should be noted that both Federal Chancellor Helmut Schmidt and I have at the same time and completely independent of one another said that in view of the worsening international situation, we should like to insure that no war shall ever again emanate from German soil.

FRG SOCIALIST YOUTH DELEGATION MEETS VERNER, DEPARTS

Received by Verner

LD041451 East Berlin ADN International Service in German 1304 GMT 4 Jul 80

[Text] Berlin--Paul Verner, member of the Politburo and secretary of the SED Central Committee, received on Friday a Socialist German Workers Youth [SDAJ] delegation from the FRG which is presently on a friendship visit to the GDR. It is led by the chairman of its executive, Werner Stuermann. Paul Verner briefed the guests on the numerous initiatives taken by the working people, especially young people, in preparation for the 10th SED Congress. He underlined the high responsibility of youth in the struggle for safeguarding peace and for continuing the process of detente. Werner Stuermann spoke about the struggle waged by the SDAJ for the implementation of the basic rights of the youth in the FRG and on actions by the progressive youth against NATO's forces counter-arming, and the stepped-up anticommunism, and for a policy oriented towards the safe-guarding of peace and understanding. He assessed the results of the visit to the GDR as an important contribution towards the deepening of the friendly relations between the SDAJ and the Free German Youth.

Discussions Held; Departure

LD041459 East Berlin ADN International Service in German 1418 GMT 4 Jul 80

[Text] Berlin--The delegation of the Socialist German Workers Youth [SDAJ] Executive has ended its friendship visit to the GDR. Before departing, it discussed with the Secretariat of the FDJ Central Council the contribution by the young generation to the struggle for peace, friendship and anti-imperialist solidarity.

SDAJ Chairman Werner Stuermann expressed his esteem for the great achievements of youth in the enterprises and installations visited by the delegation. He spoke about the work of the SDAJ. The FDJ and SDAJ agreed that the international anti-imperialist progressive work movement had great responsibility in its struggle for peace, disarmament and detente.

The first secretary of the FDJ Central Council, Egonskrenz, candidate of the Politburo, gave the assurance that the GDJ always stands in solidarity by the side of all progres-sive forces working for the maintenance of world peace and for the fundamental rights of the young generation.

HONECKER RECEIVES SOVIET AMBASSADOR FOR TALKS

LD031540 East Berlin ADN International Service in German 1504 GMT 3 Jul 80

[Text] Berlin--Erich Honecker, general secretary of the SED Central Committee and chair-man of the GDR State Council, today received Petr Abrasimov, USSR ambassador to the GDR. In the course of the conversation, which passed in a friendly and cordial atmosphere, the ambassador briefed Erich Honecker about the results of the Moscow visit by FRG Chan-cellor Helmut Schmidt and Foreign Minister Hans-Dietrich Genscher.

HONECKER MEETS WITH VISITING BELGIAN SOCIALISTS

LD031736 East Berlin ADN International Service in German 1550 GMT 3 Jul 80

[Text] Berlin--Erich Honecker, general secretary of the SED Central Committee, chairman of the GDR State Council, received today a delegation of Belgian socialists, which is in the GDR at the invitation of the SED Central Committee.

The conversation with Hos van Eynde (minister of state), Alain van der Biest and Robert Denison (member of the Politburo and deputies), as well as both parties' international secretaries, Emmy Spekens and Oscar Debunne, concentrated on current questions of securing peace, continuing the process of detente and ending the arms race.

In the frank and friendly talks, both sides expressed unanimous and deep concern about the aggravation of the international situation and established that there is no realistic and acceptable alternative to detente. It was emphasized strongly that the results achieved so far in the process of detente should not be jeopardized but should be further developed and expanded in the interests of the people.

Erich Honecker described the Warsaw Pact states' proposals of 15 May this year as a constructive program characterized by realism and good sense and aimed at the continuation of the dialogue and at reaching an understanding about progress in the interests of peace.

The Belgian guests spoke about their parties' reticent stand on the stationing of the new American missile systems in their country and about the activities of the Belgian peace forces for the defense and the continuation of detente.

It was stressed that a constructive dialogue between East and West, south and north, about peace, security and detente on the basis of the principles of the Helsinki Act was essential for responsible dealings by state and party representatives. The ratification of the SALT II treaty, the careful preparations for the upcoming Madrid meeting and its conclusion with positive and specific results were described as an urgent and important measure for consolidating detente as the dominant tendency of international developments.

The representatives of the SED and the two socialist parties agreed that communists, socialists, social democrats and Christians bore great joint responsibility for securing peace and for alleviating all the burdens that weigh on the peaceful coexistence of peoples. They should therefore continue their efforts in this context.

The long-standing fruitful relations between the SED and the Belgian socialists were emphasized with great satisfaction. They have proved to be an important element of the policy of detente and of the preservation of peace in Europe.

After the friendly meeting with Erich Honecker the exchange of views and information continued and concluded with the SED delegation led by Kurt Hager.

During the extensive talks that were held Wednesday and Thursday questions concerning the policies of the SED and the two Belgian socialist parties, and particularly current international problems, were discussed.

Kurt Hager spoke extensively about the results of the implementation of the SED's policies which are directed for the good of the people and the wide popular support in preparation for the 10th party congress. The Belgians described aspects of the political and economic life in their country and underlined the active support given to finding peaceful solutions to international problems and conflicts and to the social problems of the working people in their country.

The unanimous conclusion was reached that as a result of the extensive talks, the mutual understanding between the SED and the two socialist parties, which is an important basis for continued cooperation, was deepened. This also serves to seepen the friendship between the peoples of the GDR and Belgium.

In the morning the delegation of Belgian socialists acquainted itself with the GDR capital. On Friday the guests will return to Brussels.

SINDERMANN, FISCHER RECEIVE DANISH PARLIAMENTARIAN

LD041930 East Berlin ADN International Service in German 1610 GMT 4 Jul 80

[Text] Berlin--Volkskammer President Horst Sindermann on Friday received the president of the Danish Folketin, K.B. Andersen, who is on a private visit in the GDR. Horst Sindermann and K.B. Andersen briefed each other on the working methods of their parliaments and exchanged views on the role and responsibility of deputies. Horst Sindermann stressed the role of deputies in the preservation of peace and the deepening of the process of detente. He informed the visitor about the problems facing the development of the GDR and their relation to other questions.

The president of the Danish Parliament also had a cordial meeting with GDR Foreign Minister Oskar Fischer. They agreed that a further deepening of relations between the GDR and Denmark in accordance with the Helsinki Final Act was not only in the interests of the two sides but would at the same time serve the peaceful life of the peoples and states of the European Continent.

NORWEGIAN WORKERS PARTY CHAIRMAN CONCLUDES VISIT 5 JULY

LD051538 East Berlin ADN International Service in German 1313 GMT 5 Jul 80

[Text] Berlin--The chairman of the Norwegian Workers Party and minister of trade and shipping, Reiulf Steen, ended his visit to the GDR on Saturday. Hermann Axen, Politburo member and secretary of the SED Central Committee, bade him a cordial farewell at Berlin-Schoenefeld Airport. Earlier in the morning the two politicians had met for final talks.

During his friendly talk with Hermann Axen the Norwegian politician stated that his visit to the GDR had been successful. His talk with Erich Honecker, general secretary of the SED Central Committee, in particular had confirmed that the SED and the Norwegian Workers Party were in agreement on the fundamental issues of our time, the continuation of the process of detente and the cessation of the arms race.

He had been greatly impressed by Erich Honecker's positive approach to cooperation with social democratic and socialist parties as well as with all other progressive forces. In the course of their talk, Reiulf Steen and Hermann Axen discussed the cooperation between the two parties and agreed on pratical steps to this end. Both sides agreed that despite different ideological and political positions, cooperation between communist and social democratic parties was necessary in the interest of detente and social progress, and of particular importance in view of the present international situation.

AXEN WELCOMES FRENCH PARLIAMENTARIANS; LUNCHEON HELD

Arrival 5 July

LD051820 East Berlin ADN International Service in German 1659 GMT 5 Jul 80

[Text] Berlin--A delegation of the Foreign Affairs Committee of the French National Assembly under its chairman, Couve de Murville, arrived in Berlin on Saturday.

De Murville arrived for a visit to the GDR at the invitation of Hermann Axen, chairman of the Foreign Affairs Committee of the GDR Volkskammer, member of the Politburo and secretary of the SED Central Committee. The delegation was cordially welcomed at Berlin-Schoenefeld Airport by Hermann Axen. Its members are members of French National Assembly Foreign Affairs Committee Guy Guermeur, Fernand Marin, Jean-Marie Caro and Jean-Pierre Cot.

Luncheon 6 July

LD062120 East Berlin ADN International Service in German 1000 GMT 6 Jul 80

[Excerpts] Berlin--A delegation of the Foreign Affairs Committee of the National Assembly of the French Republic under Committee Chairman Maurice Couve de Murville on Sunday toured Berlin and viewed the results of socialist town planning in the GDR capital. Hermann Axen, the chairman of the Foreign Affairs Committee of the GDR People's Chamber, gave a lunch in honor of the French parliamentarians. In the afternoon they will make a boat trip on Berlin waterways.

FISHER RECEIVES NIPPON STEEL PRESIDENT

AU031314 East Berlin NEUES DEUTSCHLAND in German 2 Jul 80 p 2

[Text] Berlin (ADN)--GDR Foreign Minister Oskar Fischer on Tuesday received Eishiro Saito, newly elected chairman of the Japan-GDR Economic Committee and president of the Nippon steel corporation, who is currently visiting the GDR for talks.

In the course of the talk, Oskar Fischer briefed his guest on the GDR'S foreign policy, which is directed at peace, detente and disarmament.

Both sides paid tribute to the positive development of the relations between the GDR and Japan and emphasized that the deepening of the political contacts and the development of stable economic relations as well as the cultural links between the two states are in the mutual interest of the peoples and important for the continuation of detente and the securing of peace. The conviction was expressed in unison that there is no alternative to peaceful coexistence.

Dr Gerhard Beil, chairman of the GDR-Japan Economic Committee, state secretary and first deputy minister for foreign trade, met Eishiro Saito on the same day for a talk on the implementation of the decisions of the 10th joint meeting of the two economic committees and further joint activities in the mutual development of the commercial and economic relations.

During the talk, an exchange of views took place on the holding of the 11th joint meeting of the economic committees in March 1981 in the GDR in celebration of the 10-year existence of the two economic committees.

NEW DPRK AMBASSADOR PRESENTS CREDENTIALS TO HONECKER

BK062205 Pyongyang KCNA in English 2200 GMT 6 Jul 80

[Text] Pyongyang July 7 (KCNA)--Pak Hyon-po, newly-appointed ambassador extraordinary and plenipotentiary of the Democratic Peoples Republic of Korea to the German Democratic Republic, on July 2 presented his credentials to Erich Honecker, chairman of the Council of State of the German Democratic Republic, according to a report.

After the presentation ceremony, a talk took place in a friendly atmosphere. The ambassador conveyed cordial regards of the great leader Comrade Kim Il-song to chairman Erich Honecker.

Chairman Erich Honecker expressed deep thanks for the cordial regards and asked the ambassador to convey his wholehearted, warm greetings to the great leader of the Korean people Comrade Kim Il-song. Saying that the GDR resolutely supports the policy of the workers party and Government of Korea to reunify the country peacefully on a democratic principle, he stressed: The Socialist Unity Party of Germany and the government and people of the GDR will actively support the Korean people in the struggle for the peaceful reunification of the country.

Present on the occasion were the secretary of the Council of State, the state secretary of the Foreign Ministry and other personages concerned of the German Democratic Republic.

POLITBURO, MINISTERS' STATEMENT ON HONECKER ROMANIA VISIT

AU031615 East Berlin NEUES DEUTSCHLAND in German 2 Jul 80 p 1

["SED Central Committee Politburo and GDR Council of Ministers: The Trip to Romania Serves the Strengthening of Peace and Socialism; Statement on the results of the official friendship visit of the GDR party-state delegation to the Socialist Republic of Romania"]

[Text] The SED Central Committee Politburo and the GDR Council of Ministers have heard the report of Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, about the visit by a GDR party-state delegation to the Socialist Republic of Romania and expressed their satisfaction with the fact that the negotiations between the highest GDR and Romanian representatives offered another chance of conducting a comprehensive exchange of views in an atmosphere of friendship and mutual understanding.

The meetings of the GDR party-state delegation with the Romanian working people, which were marked by great cordiality and hospitality, became an effective display of the fraternal friendship and alliance between both states and peoples.

The SED Central Committee Politburo and the GDR Council of Ministers valued the talks between Comrades Erich Honecker and Nicolae Ceausescu as another significant contribution to the expansion and deepening of the close relations of friendship and comprehensive cooperation between the SED and the Romanian Communist Party, and between the GDR and Romania.

The joint declaration signed on the occasion of the visit documents the endeavors of both sides, in keeping with the treaty of friendship, cooperation and mutual assistance of 12 May 1972 to further develop relations between the two countries in all spheres of social life on a stable, long-term basis.

The results of the coordination of national economic plans and the agreed-upon key points in scientific-technical cooperation between the two countries in the 1981-85 period safeguard the planned continuous development and expansion of economic relations for mutual benefit.

The SED Central Committee Politburo and the GDR Council of Ministers assess the extensive exchange of views between the two delegations concerning topical problems of international development as being significant. Together with the other fraternal states and with all progressive and peace-loving forces, the GDR and Romania will work for implementation of the declaration adopted by the Political Consultative Committee of the Warsaw Pact member states on 15 May 1980. [paragraph continues]

In view of the exacerbation of the international situation by the policy of the most aggressive imperialist quarters, particular importance is attached to the politically important action program with its far-reaching initiatives for a limitation of the arms race, for disarmament and the continuation of detente, contained in this declaration. The SED Central Committee Politburo and the GDR Council of Ministers underscore that the visit of the GDR party-state delegation to Romania helps to further consolidate the unity and cohesion of the socialist community of states and strengthen the positions of socialism and peace in the world.

NEUES DEUTSCHLAND REPORTS HONECKER GREETINGS TO OAU SUMMIT

AU030940 East Berlin NEUES DEUTSCHLAND in German 2 Jul 80 pp 1-2

[Excerpt] Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, sent the following message of greetings to Dr Stevens, president of Sierra Leone and elected OAU chairman:

I convey cordial congratulations to you on your election as OAU chairman in the name of the State Council and the GDR people as well as in my own name. I wish you creative strength and success in this responsible office.

At the same time I convey cordial greetings to the heads of state and government assembled in Freetown and wish the 17th OAU Conference success.

It fills us with satisfaction that the African states have achieved further success in consolidating their national independence and economic self-sufficiency.

The victory of the patriotic forces of Zimbabwe demonstrates yet again that no people can be deprived of freedom and independence forever. We are deeply convinced that the people of Namibia will also be victorious in abolishing the South African apartheid regime which is hated the world over and whose antihuman, anachronistic and anti-peace character is becoming clearer than ever these days. We will always stand in solidarity by the side of the African peoples in their struggle to win freedom and independence, and to overcome the remnants of colonialism and racism. We state with joy that the GDR and the OAU member states hold identical or similar views on many basic international questions. This applies specifically to the most important tasks at present and the preserving of world peace as a vital question of humanity, detente and disarmament.

I am convinced that the 17th OAU Summit meeting will furnish its contribution to the solving of important international questions just as the previous conferences have done.

We reaffirm the GDR's readiness to further consolidate and deepen our relations of friendly and fruitful cooperation with the African states.

Please accept, your excellency, the expression of my respect for the heads of state and government participating in the conference, together with best wishes for their personal well-being.

STOPH APPOINTS SCHMIEDER AS NEW MINISTER OF FINANCE

LD031400 East Berlin ADN International Service in German 1225 GMT 3 Jul 80

[Text] Berlin--Following the People's Chamber's election of Dr Werner Schmieder as member of the Council of Ministers, he was appointed minister of finance by the chairman of the Council of Ministers.

This was announced by the Press Office of the chairman of the GDR Council of Ministers. Willi Stoph wished the new minister success and energy in his responsible job.

NEUES DEUTSCHLAND CARRIES HONECKER INTERVIEW ON LENINISM

LD041029 East Berlin ADN International Service in German 0128 GMT 4 Jul 80

[Text] Berlin--"The development of our republic in the fraternal alliance with the Soviet Union and the entire socialist community of states reflects the fact that the SED has always applied Leninism creatively." This is noted by Erich Honecker in an interview with the WORLD MARXIST REVIEW carried by NEUES DEUTSCHLAND today.

The general secretary of the SED Central Committee and chairman of the GDR State Council discusses Leninism and the historical development of the GDR, saying: "In this we used the rich experiences of the CPSU and other fraternal parties. We thus succeeded in mastering the many tasks in all spheres of social life, and in doing so found forms and methods which correspond to the specific conditions in our country." He continues: "The world revolutionary process, the struggle for peace and national and social liberation, constantly sets communists and all progressive forces new and frequently complicated tasks, the solutions to which call for, as Lenin teaches, 'the most objective verifiable analysis of the interrelationship of the classes and the concrete specifics of every historical period.' It places high demand on creative thinking. In the works of Marx, Engels and Lenin we find no examples, no ready recipes for any situation, but an always reliable guide for action." Erich Honecker notes in conclusion: "The changes in the world under the sign of socialism and progress make the immortal vitality of Marxism-Leninism clearer than ever before. We also see as an essential prerequisite for the successful policy of our party the constant development of the riches of Marxist-Leninist theory, expanded through the practice of real socialism and the anti-imperialist struggle in all parts of the world."

HERRMANN SPEAKS AT END OF PARTY COLLEGE STUDY YEAR

LD302150 East Berlin Domestic Service in German 2000 GMT 30 Jun 80

[Text] In the words of Joachim Herrmann, the great mass movement preparing for the 10th SED Congress serves the strengthening of socialism and the welfare of the working class and all working people. Speaking at the end of the study year at the Karl Marx party college, the Politburo member and SED Central Committee secretary said today that GDR working people were making a resolute contribution to the safefuarding of peace and to solidarity and support for all forces fighting for political and social progress. Referring to the positive record in all sectors of social life, the speaker demonstrated the unity of theory and practice in SED policy, which is based on the creative application of Marxism-Leninism.

BRIEFS

BRITISH ACADEMY AGREEMENT--"An agreement on the exchange of scientists in the field of social sciences was signed on Tuesday in Berlin by representatives of the GDR Academy of Sciences and the British academy." A delegation of the British research establishment had held 1-week talks on the development of the scientific relations between the two institutions. [East Berlin NEUES DEUTSCHLAND in German 2 Jul 80 p 2 AU]

ECONOMIC COOPERATION PROTOCOL WITH USSR SIGNED IN BUDAPEST

LD032300 Budapest Domestic Service in Hungarian 2000 GMT 3 Jul 80

[Text] Hungary and the USSR have concluded new agreements on the directions of long-term economic cooperation, and approved agreements on specialization and joint ventures. The session of the Hungarian-Soviet Intergovernmental Committee for Economic and Technical-Scientific Cooperation has ended in Budapest. The protocol on the agreements was signed by the committee's two cochairmen, Jozsef Marjai and Konstantin Katushev, deputy prime ministers.

According to the document, in the electronics industry Hungarian enterprises will specialize in the manufacture of (?cable)-industry and illuminant-manufacturing installations and crane operating platforms. Hungarian enterprises will develop three product groups for atomic energy plant installations, and eight product groups for metallurgical installations. It was also decided that by 1980, 15 CEMA norms will be worked out in the surgical instruments industry.

They have also extended two vehicle industry agreements, on the basis of which Hungary will produce buses, while the USSR will produce trucks, cars and motorcycles. In the sphere of chemical industry machine manufacture, already existing agreements have been expanded. On the basis of this they will mutually supply painting equipment, chemical goods, packaging installations, as well as rubber and plastics processing machines. On machinetool industry cooperation, they concluded a complex agreement which embraces research, manufacturing and marketing. In the trade of machinetools the proportion of specialized products is almost 90 percent. They have also signed two chemical industry agreements. On the basis of one of these Hungary will supply special rubber hoses for Soviet mining, in exchange for many kinds of industrial rubber products. On the basis of the other agreement, trade in mutually supplied medicines will triple in the coming plan period. From the USSR we will buy antibiotics, antitumor drugs, painkillers and blood supplement products. In exchange we will export neurological and cardiotherapeutic drugs.

Katushev, Delegation's Departure

LD041106 Budapest MTI in English 1031 GMT 4 Jul 80

[Text] Budapest, Jul 4 (MTI)--Led by Vice Premier Konstantin Katushev, chairman of the Soviet section of the Hungarian-Soviet Inter Governmental Committee for Economic and Technical-Scientific Cooperation, the Soviet delegation having attended the committee's 25th session left Budapest on Friday. They were seen off at Ferihegy Airport by Jozsef Marjai, deputy chairman of the Hungarian Council of Ministers, co-chairman of the committee. Present was Soviet Ambassador Vladimir Pavlov to Budapest.

LOSONCZI GREETS CARTER ON U.S. NATIONAL DAY

LD032030 Budapest MTI in English 1731 GMT 3 Jul 80

[Text] Budapest, Jul 3 (MTI)--Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, greeted in a telegram President J. Carter, on occasion of the national day of the United States of America.

FRENCH CP SECRETARY GENERAL MARCHAIS IN BUDAPEST

LD031754 Budapest MTI in English 1720 GMT 3 Jul 80

[Text] Budapest, 3 Jul (MTI)--Georges Marchais, Secretary General of the French Communist Party, and his suite arrived in Budapest on Thursday at the invitation of Janos Kadar, first secretary of the Hungarian Socialist Workers' Party Central Committee. At the Ferihegy Airport the visitors were received by Andras Gyenes, secretary of the HSWP Central Committee, and Janos Berecz, member of the HSWP CC and head of its foreign department.

Talks With Kadar

LD032034 Budapest MTI in English 1729 GMT 3 Jul 80

[Text] Budapest, 3 Jul (MTI)--Janos Kadar, first secretary of the Central Committee of the Hungarian Socialist Workers' Party, received on Thursday afternoon Georges Marchais, secretary general of the French Communist Party, and Jean-Francois Gau, member of the Central Committee.

At the cordial, comradely discussions they informed each other on the situation of their countries, the activity of their parties. They reviewed the most important events of international life with special respect to the situation which has emerged in Europe. They exchanged opinion on the topical questions of the international communist movement and on strengthening the relations of the two parties. The meeting was attended by Andras Gyenes, secretary of the HSWP Central Committee, and Janos Berecz, member of the Central Committee and head of the Foreign Affairs Department of the HSWP CC.

5 July Talks

LD051824 Budapest Domestic Service in Hungarian 1630 GMT 5 Jul 80

[Text] Janos Kadar continued his talks with Georges Marchais, secretary general of the French Communist Party, today. After the meeting, Janos Kadar and his wife offered a luncheon in honor of Georges Marchais and his wife. The French guests toured the sights of Budapest, and then Georges Marchais left for a short rest in Fejer County.

Marchais Departure

LD070940 Budapest MTI in English 0600 GMT 6 Jul 80

[Text] Budapest, 6 Jul (MTI)--Georges Marchais, secretary general of the French Communist Party, and his suite left the Hungarian capital Sunday afternoon. Present to see them off at Ferihegy Airport were Andras Gyenes, secretary of the Hungarian Socialist Workers' Party Central Committee, and Janos Berecz, member of the HSWP Central Committee and head of the HSWP CC Foreign Affairs Department. A joint communique will be issued on the talks.

SPANISH OFFICIAL EXPRESSES CONCERN ON SS-20 MISSILES

LD050034 Madrid Domestic Service in Spanish 2200 GMT 4 Jul 80

[Text] Don Carlos Robles Piquer, secretary of state for foreign affairs, told Hungarian authorities in Budapest today of Spain's concern at the growth of the atomic arsenal in the socialist bloc, especially the installation of the SS-20 missiles, which have sufficient range to reach Spanish territory.

GIEREK RECEIVES MEDAL FOR PROMOTING HUMAN RIGHTS

LD041346 Warsaw Domestic Service in Polish 1300 GMT 4 Jul 80

[Text] A ceremony was held in the Sejm building in Warsaw today during which Edward Gierek, first secretary of the party Central Committee, was presented with a medal of the International Human Rights Institute of Strasbourg for his merit in promoting peace and human rights. The medal is awarded to statesmen and distinguished persons working for the consolidation of peace in the world and human rights. It was presented to the Polish leader by Edgar Faure, the well-known French politician and president of the Strasbourg institute.

The ceremony was attended by a large group of Polish politicians and social activists and participants in the international conference, which is meeting in Warsaw, and which is concerned with the right to live in peace and other human rights. Edward Gierek turned the medal over to the Sejm, the highest representative of the Polish people.

DEFENSE MINISTER JARUZELSKI ENDS VISIT TO LIBYA

LD041000 Warsaw PAP in English 0800 GMT 4 Jul 80

[Text] Tripoli, 4 Jul, PAP--A delegation of the Polish Ministry of National Defence led by member of the PUWP CC Political Bureau, minister of national defence, General Wojciech Jaruzelski ended last night a four-day official visit to the Libyan Jamahiriyah and left Tripoli for Poland. During his stay in Libya Minister Jaruzelski was received by the country's leader Colonel Mu'ammar al-Qadhdhafi. The Polish-Libyan talks concluded on the last day of the visit passed in the atmosphere of friendly and constructive relations and strengthening cooperation between the two sides.

BABIUCH RECEIVES ROMANIA'S JANOS FAZEKAS

LD032032 Warsaw Domestic Service in Polish 1700 GMT 3 Jul 80

[Text] Premier Edward Babiuch received today Deputy Premier of Romania Janos Fazekas, who is staying on a working visit in Poland. Polish-Romanian economic cooperation was reviewed and prospects for the development of cooperation were discussed, stressing the need for its deepening. The meeting was attended by Deputy Premier Kazimierz Barcikowski.

BABIUCH TALKS WITH SENEGALESE PARLIAMENTARIANS

LD032036 Warsaw Domestic Service in Polish 1700 GMT 3 Jul 80

[Text] Edward Babiuch, chairman of the Council of Ministers, today received the delegation of Senegalese parliamentarians led by Amadou Cisse Dia, chairman of the Senegalese National Assembly, which is staying in Poland at present. During the meeting, certain international issues and problems connected with further development of contacts and cooperation between Poland and Senegal were discussed. Much attention was paid to the role which could be played by the parliaments of the two countries in broadening bilateral contacts. The meeting was attended by deputy speaker of the Sejm, Halina Skibniewska, and Chief of the Sejm Chancellery Kazimierz Switala. Senegal's Ambassador Mamadou Seyni Mgengue was also present.

Senegalese End Visit

LD042222 Warsaw PAP in English 2012 GMT 4 Jul 80

[Text] Warsaw, 4 Jul PAP--The delegation of Senegalese parliamentarians led by President of the National Assembly Anadou Cisse Dia ended their seven-day visit to Poland today.

On the last day of the visit, the delegation was received by President of the Council of State Henryk Jablonski. The two sides exchanged views on the role and responsibility of parliaments in shaping up the peaceful future of the world, in bringing states and nations closer together. The guests thanked him for the cordial reception accorded to them in Poland, for the opportunity to learn about Poland's achievements. The sides expressed the conviction that the visit would contribute to the further development of friendly relations and all-round cooperation between Poland and Senegal.

The talks held by the delegation in Warsaw aimed at reviewing the opportunities to develop relations and cooperation between Poland and Senegal, as well as evaluating some international issues. Much space was given to cooperation between the two nations' parliaments and in other spheres. The meeting between the Senegalese parliamentarians and authorities of the Polish-African friendship association served mutual rapprochment and promotion of mutual contacts.

During the visit the Senegalese guests went on a tour of Poland and familiarized themselves with the expansion of Polish maritime economy in the Gdansk region.

FOREIGN MINISTER WOJTASZEK ENDS VISIT TO FRANCE

LD041247 Warsaw in English to Europe 2230 GMT 3 Jul 80

[Text] Foreign Minister Emil Wojtaszek has concluded an official visit to France after being received by President Valery Giscard d'Estaing, with whom he discussed plans for next September's visit to Poland by the French head of state.

Mr Wojtaszek also conferred with French Foreign Minister Jean Francois-Poncet and took part in the plenary talks in which the two ministers were joined by experts. Among the international issues under discussion, first consideration was given to East-West relations and prospects for maintaining detente. In that context both sides reemphasized the significance of the Warsaw summit meeting between President Giscard d'Estaing and Soviet leader Leonid Brezhnev, with the participation of Polish leader Edward Gierek. The situation in the Middle East, some aspects of the situation in Africa and the preparations now under way for the Madrid meeting of the countries-signatories to the Helsinki declaration, plus prospects for disarmament steps being taken in Europe, rounded out the agenda of the Polish-French talks in Paris.

A communique after the talks stressed the climate of traditional friendship and mutual trust characterizing French-Polish relations. It singled out, among other things, preparations for the French president's forthcoming visit to Poland as an important topic discussed. The French foreign minister accepted with satisfaction an invitation to pay an official visit to this country.

WRZASZCZYK REPORTS TO SEJM ON ECONOMIC ISSUES

AU021055 Warsaw TRYBUNA LUDU in Polish 24 Jun 80 pp 2-3

[Apparent text of report delivered at the 23 June Sejm session by Tadeusz Wrzaszczyk, PZPR Central Committee Politburo member, Council of Ministers deputy chairman and Planning Committee chairman in the Council of Ministers]

[Text] Citizen speaker, may it please the house: The present debate in the house will complete a cycle of works aimed at an all-round analysis and assessment of the government report on the implementation of the national socioeconomic plan and the state budget for 1979. The appropriate commissions of the house and intercommission problem teams also discussed the government draft decision submitted to the Sejm of the national socioeconomic plan for the current year, and the need for improving management efficiency.

I would like to present on behalf of the government some problems involving the accomplishment of tasks for the last year, and then against that background to specify for the comrade deputies the premises guiding us in the drafting of the said decision, as well as to substantiate provisions contained in it.

The year 1979 was a very difficult one for our economy. This was caused particularly by the unfavorable weather conditions--the cold winter, which caused disturbances in transport and the power industry and adverse effects in the entire economy, as well as the flood and drought that reduced production results in agriculture. Measures taken by the government and all economic organs helped reduce the scale of losses and delays incurred early in the year in accomplishing planned tasks. Nonetheless, we did not succeed in compensating for all arrears, and as a result the national income produced fell about 2 percent short of the 1978 level. This was also affected by the insufficient progress made by some branches of the economy in management efficiency and discipline.

Industrial production fell short of planned targets by more than 250 billion. Arrears emerged particularly in the production of a number of raw and basic materials. This adversely affected the level of reserves and the state of supplies to industry toward the end of the year. The arrears in cement production, amounting to about 5 million tons, adversely affected plan implementation for construction, including that for housing.

The purchases of grain from the 1979 crop fell short of the planned target by 2 million tons. This resulted in increased grain and fodder imports. This was accomplished partly at the expense of the importation of raw and other materials, as well as at the cost of a deteriorated balance in commodity turnovers with foreign countries, which fell below the planned targets. This has adversely affected supplies to industry in the current year, causing significant difficulties in the smoothness of work at a number of enterprises.

Not withstanding those unfavorable phenomena, we made appreciable progress in may sectors of our economy even in 1979. In particular--and this should be emphasized and was appreciated during discussions in the Sejm commissions--we consistently pursued an active social policy and made significant advances in that sphere, and particularly increased social benefits in cash, wages and real incomes.

Citizens deputies, in its report the government informed the house about both the achievements and setbacks of 1979, regarding discussions of these problems in the commissions and the plenary Sejm debates not only as the exercising of its constitutional role in shaping and control of the implementation of the socioeconomic plan for the country's development, but also as an important premise for work in 1980.

While assessing the results achieved in the first half of the current year, one must state that positive phenomena are occurring in many sectors of economic activity. After the first 5 months, the fulfillment of the industrial production plan is well advanced. Our highly dynamic exports are of great importance in this context. In the first 5 months of the year, they increased about 20 percent compared with the corresponding period of last year--that is faster than planned. Difficulties have diminished in the power industry and transport, although there is still a great deal to be done in both those branches. In some branches positive trends have emerged in reducing material costs.

However, notwithstanding the positive elements in the present economic situation, the latter is still complex not only because of the 1979 results but also because of changes in the international situation. One of their consequences lies in the fact that conditions on the international commodity and financial market are now less favorable for us. In particular, because of increased international tensions, instability of the world market and the inflationary processes in many capitalist countries, the rates of interests from credits have sharply increased recently, sometimes even exceeding 20 percent. As is known, in the past decade we contracted abroad investment credits for expanding and modernizing many branches of our economy. We have been paying back those credits systematically and on time. But for the said reasons, the situation in foreign trade with capitalist countries is more difficult than could have been expected.

The government is actively and consistently opposing the difficulties that emerge. Evidence of this is to be found in a number of moves made in recent months. Those moves are both objective and preparing or implementing changes in the system:

1. A decision was adopted to increase work for export. New solutions have been introduced to stimulate the development of exports in the 16 large industrial organizations--associations and combines with a say on the international market and able to increase specialized exports. A government commission has been set up at the same time to improve the efficiency of exports and to rationalize imports. In addition to its current activity, the commission is expected to work out appropriate solutions for the system.

2. In order to better coordinate the fulfillment of the production plans in individual industrial branches, steps have been taken to create a system to control industrial production and to tighten cooperation among enterprises, associations and industrial ministeries, particularly in the sphere of coproduction and supplies.

At the same time, work has been intensified to improve production quotas and material consumption standards in the sphere of production, and this is an important condition for a wider application of normative cost accountancy.

3. A manysided economizing program has been worked out to encompass a number of economic fields, and steps have been taken to systematically apply the program. The program calls in particular for restricting administrative costs that are representative in nature and for diminishing some, socially unsubstantiated subsidies to the prices. Steps also have been taken to increase wage and income discipline, specifying new banking rules to control the wages fund.

4. A very important decision has been prepared to change the system of wholesale prices, that is, prices applicable in turnovers among socialized economic units. Those prices constitute a fundamental initial element for the proper accountancy of costs and efficiency at each enterprise. The government-drafted program for changes in wholesale prices has been endorsed by the PZPR Central Committee Politburo. It will be effective as of 1 January 1981. The reform of wholesale prices does not apply to retail prices.

5. Progress has been made toward improving local planning in association with central planning. One draft calls for expanding the scope of local management in such a way as to encompass entire economic complexes directly linked with the development of individual regions and with the shaping of the living standards of the population.

Irrespective of the measures taken to better accomplish the planned tasks, the government deems it necessary to adapt some of them this year to the changed situation.

May it please the house, since we must pay off our obligations and must finance current imports, the guidelines for our economic development in the current year provide for the further use of financial credits. But while endeavoring gradually and systematically to improve the payment situation of our economy, we must not contract new credits on terms that would excessively burden the national income in the future.

To prevent this, the government regards it as necessary to take additional pains to increase exports and restrict currency expenses on less essential or urgent needs. The eventual point is to improve the balance of foreign trade turnovers by about 24 billion for international settlements compared with the binding plan. It implies that we obtain a surplus in turnover with capitalist countries, which is very essential to meet our payment needs and provide a significantly better starting point for the coming 5-year period. Precisely this motive is one of the basic permises of the draft decision presented by the government in the house.

While analysing the impact of the less favorable results of economic activity in 1979 on the present situation, and while bearing in mind both the favorable phenomena that occurred in the first half of 1980 and phenomena jeopardizing the fulfillment of this year's plan, we have asked ourselves if and what conclusions should be drawn from the present situation as a whole for the present year's plan. Last year's experiences show that the need to change some planned tasks means undertaking an internally coordinated correction of the national socioeconomic plan. This will allow more correct links to be established between production branches and sectors, and better results to be achieved than those that would have been possible if the plan remained unchanged.

The main advantage of the submitted motion lies in the fact that it gives a chance to speed up the process of harmonizing economic development.

The government activity program submitted to the house in April contained, among other things, the statement that we were taking hard, persistent and systematic pains to harmonize economic development and settle economic problems. One of the main rules in socialist planned economy is to concentrate efforts and means on those spheres of activity and on those tasks that decisively influence attaining fundamental development goals.

While following this rule, the government must now, in the immediate future, concentrate efforts as much as possible on obtaining a surplus in foreign trade turnover already this year, and on increasing that surplus in 1981. Under the present circumstances, this is a condition that is indispensable for strengthening the economic balance and ensuring the country's further development.

The proposed changes in tasks for foreign trade will have a certain impact on the level and structure of industrial production. It will be necessary to more rapidly increase the production of goods for export, and in many instances this will only be attainable through appropriate restrictions in production for other purposes. It will also be necessary to restrict production based on those kinds of raw materials whose importation will have to be reduced. [Paragraph continues]

At the same time, it is also necessary to promote to the maximum the production of socially useful goods that can be made completely from raw materials available in the country, including secondary and local raw materials. It is also necessary to intensify the output and utilization of national raw materials, including those that, under more favorable circumstances, were considered as less effective.

All the discussed changes in the structure of production will be made in the course of the year. Thus we have at our disposal less time for preparatory works than in planning similar changes for the coming years. It is anticipated that the total increase in industrial production could amount to 2-3 percent, and not 3-4 percent as anticipated in the plan. While introducing changes into the structure of production, we intend--in addition to the indispensable increase in production for export--also to insure a maximum increase in production for the market. At the same time, we call on all enterprises that are able to increase production and supplies, particularly of goods that are still in short supply on our market, to make full use of the possibilities for increasing supplies. In accomplishing this task, we also count on the constantly growing role of the socialized small-scale industry, for whose development the government has recently provided highly favorable conditions.

We expect the collectives of all enterprises, and particularly those lagging behind in production or showing low marks in efficiency, workers' self-government and economic administrations to closely analyze the situation and take the steps necessary to score the best possible results toward the end of 1980 in line with the theses of the decision that is now under examination.

In accordance with the changed tasks for industrial production, it is necessary to alter the rate anticipated for increasing labor productivity in industry. The point is to increase in the production structure the share of goods that consume less material, even if they consume more labor. Notwithstanding that, we should strive at every enterprise and working place for the highest labor productivity possible, for the best labor organization, the best use of working time, proper use of workers' qualifications and rational employment. We must resolutely oppose overemployment, bearing in mind the manpower shortages in the extractive industry, agriculture and services.

It is a matter of great general economic and social importance to fight the phenomenon of cadre fluctuation, including primarily the economically and socially harmful practice of arbitrarily abandoning the job. Out of the 11.9 million workers in the socialized economy, nearly 10 percent changed jobs last year. In addition to more than 800,000 instances where notice was given, there were 366,000 cases of job abandonment without previous notice. It is essential to very critically assess the conduct of all enterprises disregarding the labor code and executive regulations, which enroll workers who abandoned their jobs in an arbitrary manner and apply to them no measures provided by the law. The government shares the stand taken by the SEJM Commission for Labor and Social Affairs on the need for a stricter application of the labor code's norms fixing not only the rights, but also the duties of workers.

Comrade deputies, the proposed updating of some provisions planned must, in the government's opinion, also encompass some other spheres, particularly agriculture and housing construction. As is known, production plans for agriculture are being worked out on the basis of average weather conditions. Up to the end of May this year conditions for many crops were unfavorable because the spring was unusually late, cold and dry. In June, the conditions significantly improved, but some losses in plant production are unavoidable and cannot be compensated for. Certainly in agriculture much still depends on weather conditions in the entire vegetation and harvest season, as well as on the efforts of workers in agriculture and economic sectors servicing the former.

The state of affairs in housing construction was recently reported by the government and discussed in this house. In drawing conclusions from the Sejm debate, the government is acting to apply stricter requirements in the current year with regard to both quality and timing in socialized housing construction. Incomplete houses must be brought to a point facilitating their smooth and uniform commissioning next year. The point is also to more efficiently prepare sites for new construction, to provide stocks in time and to more rapidly develop service establishments in settlements. In order to make progress in all those fields, it is necessary to introduce changes this year in tasks for house commissioning.

For this reason the draft decision submitted requests the house to authorize the Council of Ministers to adopt a decision updating this year's tasks for housing construction in line with the results of the presently undertaken analysis of real conditions existing in individual voivodships for accomplishing the tasks. The government intends not to reduce the housing construction program by even one single apartment below the real chances for accomplishment, but only to bring the program, both nationwide and individual voivodships, to a level fitting the possibilities. It should be added that provisions have been made to leave at the disposal of investors in housing construction sufficient resources to better cope with the construction of houses that will be completed and commissioned in 1981.

The proposed changes should also provide better conditions for investments in the sphere of communal consumption, including health services, education and culture, to which we attach much importance because it substantially effects the living standards of society. We regard it as particularly important to promote hospital construction which has recently been much developed.

On the part of enterprise collectives we expect maximum efforts to accomplish in the best way possible tasks for housing construction, and to make other investments meet human needs.

May it please the house: The present economic situation requires from our economy, at all levels, particular pains to improve efficiency, and primarily to reduce per-unit material consumption and material production costs, to make better use of science and technical progress in reducing material and power consumption in production, to make broader and better use of secondary and local raw materials, which make up an important reserve in our economy. It is also essential to boost discipline in accomplishing tasks set in the plan or arising from contract relations among economic units.

All these are issues repeatedly tackled in this tribunal, yet in view of the more difficult conditions their role and significance are growing. For this exact reason, the proposed draft decision places those issues among priority tasks for implementing the national socioeconomic plan in the current year.

The proposed changes in some planned tasks also call for updating tasks and planned resources for individual ministries, central administrations and voivodships. This work will be performed as soon as possible. Particular pains will be taken to coordinate individual changes among themselves, and to make associations and enterprises aware of them, because only this will provide conditions for their proper implementation.

Both the current year's results and the base of issue to cope with tasks awaiting us in the eighties depend on our ability to perform this work in the economy as a whole, and to make use of the second half of the year. We must make every effort to make those results and that basis the best possible.

Citizen deputies, Sejm commissions and intercommission problem teams in their discussions on the report submitted by the Council of Ministers on fulfillment of the national socio-economic plan in 1979, made a number of concrete proposals and postulates addressed to the government. I am convinced that the present debate will enrich them even more. The government will carefully examine all those proposals and will use them in its further activity. A considerable part of those proposals will be implemented successively in the government's operations.

Some proposals requiring a closer analysis or appropriate forms for their implementation will be dealt with by the corresponding ministries and the government within a few months. On the motion of the Culture and Art Commission, steps will be taken to improve the processes of utilizing paper as a material that is valuable for the national economy and culture. The government will successively report to the house on the implementation of such proposals.

Proposals concerning problems that can be settled in the next 5-year period, 1981-85, will be considered in the process of drafting the 5-year plan and economic and financial measures called for by the decisions of the 8th PZPR Congress. For instance, in the 5-year plan we intend to utilize the proposals of the Commission for Administration, Local Economy and the Protection of the Environment concerning the further development of private housing construction and the local production of building materials, the proposal of the Commission for Mining, Power Production and Chemistry concerning gas surveying, and the proposal of the Commission for the Heavy, Machine-Building and Metallurgical Industries concerning modernization in those branches.

Some of the proposals made, even if essentially correct, can hardly be implemented in the nearest future because of the restricted possibilities of the national economy. This particularly applies to proposals requiring significant resources, for example those implying large investments or other big outlays for which no sources have been indicated. Perhaps it will be possible to consider some of those proposals in the process of drafting the 5-year plan, but the others, concerning second-priority matters, will only be implemented later on, when the proper conditions arise.

May it please the house, alongside the activity aimed at the best possible accomplishment of tasks, we are intensively working on the 1981 plan and the 1981-85 5-year plan. In doing so, we are endeavoring to insure that our economy is well provided with national and imported materials, and to work out a broad program for thrifty use of materials and for reducing the--at present excessive--material consumption in industrial production and construction.

We also attach much attention to the rational utilization of investment resources that will be at our disposal in the coming 5-year period, primarily to continue and to complete the most important investment undertakings in the current 5-year period. We continue to increase the role of investments for modernization, particularly of those aimed at increasing our economy's exporting abilities determining, in their turn, our ability to bring in raw materials, to expand production, to increase the national income and to attain social objectives.

In all the works performed, we consistently endeavor to insure the accomplishment of tasks stemming from the comprehensive program for socialist economic integration of the CEMA member countries, and from long-term directional [kierunkowe] cooperation programs encompassing a number of important spheres in economic activity. The 34th CEMA Council session held in Prague last week confirmed once again the mutual advantages of common undertakings, and provided new impulses for further developing and deepening them.

In the development of our cooperation with the countries of the socialist community, cooperation with the Soviet Union has a particular position. This cooperation is becoming increasingly comprehensive, deep and vigorous. During the visit paid to Moscow last month by Edward Babiuch, Council of Ministers chairman, a number of new measures were adopted aimed at promoting production specialization and co-production in the coming 5-year period, and in the longer term. This will provide conditions for increasing the effectiveness of many joint enterprises.

In accordance with the 8th PZPR Congress decisions, the provisions of the 1981-85 5-year plan will be examined at a PZPR Central Committee plenum. It is expected that work on the draft plan will be completed in the first quarter of 1981, and this will make it possible to base the draft presented to the house on the final results of the current year and of the 5-year period. Those results have been significantly affected by outside factors. In the 1976-80 period, radical changes occurred in the world economy. As a result, the prices of many raw materials imported by us increased rapidly, even several times in 5 years. The worldwide shortage of foodstuffs has increased, and this resulted, among other things, in increased prices of imported grain. The possibilities and conditions for obtaining credits on the international financial markets have become considerably worse.

Under such circumstances, much worse than could have been expected, even a small progress requires significantly more efforts. Our workers class and all working people in our country have not been lacking. Owing to this, industrial production in the current year, in terms of comparative prices, will exceed the 1975 level by Z770 billion. Thus, notwithstanding many obstacles, we have made a significant step forward in material production.

We also have considerably consolidated our country's position in the international division of labor, consistently implementing the processes of the socialist economic integration of the CEMA member countries. We are also rapidly developing our trade turnover with other countries all over the world and, notwithstanding many difficulties, in the current 5-year period we are attaining in turnover with those countries a fundamental change as a result of the fact that our 1980 exports, compared with 1975, increased almost by three-fourths, and at the same time imports are being rationalized.

In all our activities we have pursued the policy of giving priority to social goals. This is manifested in the fact that, despite the deteriorated situation, in the current 5-year period we are succeeding in increasing wages and real incomes, in significantly exceeding the plan for state expenditures in social allowances, and in increasing housing construction, compared with the past 5-year period, by more than one-fourth as far as the number of new dwellings is concerned, and almost by 40 percent as far as their area goes.

We are aware that in some fields progress could have been greater. The results scored by us have been affected not only by external factors not depending on us, but also by the fact that the effectiveness of our own work has improved too little. Comrade Edward Gierek, PZPR Central Committee first secretary, devoted much attention to these issues in his report at the 8th PZPR Congress. They were also repeatedly presented at the sessions of the house.

We also have come back to those issues today, because what we will be able to accomplish by common efforts in the coming months in implementing in the best way possible the 1979 tasks and in preparing a good basis for measures to be taken next year and in the next 5-year period, largely depends on the better organization and higher efficiency of labor, and on higher discipline in accomplishing the adopted tasks.

For this reason the government, while submitting to the house the draft decision on tasks connected with the fulfillment of the 1980 national socioeconomic plan and with the need to raise the effectiveness of management, sees in the decision a chance to improve control over economic activity in the second half of the year and to score better results. Enterprise collectives, economic and state administrations at all levels must act jointly to use this chance.

The correction proposed in the decision for some planned tasks goes in two directions. Some tasks, particularly those for the sphere of production for export, exports and effectiveness of management, have been increased. Some others have been reduced in accordance with the changed conditions and needs. The final objective of the decision is to insure progress in harmonizing the economy. This objective is to be attained by the following means:

1. The balance of foreign trade turnovers must radically improve, and for the first time in the decade, a surplus must be obtained in turnover with capitalist countries;

2. The structure of industrial production must improve to meet the new needs and real supply possibilities, as well as to insure higher efficiency in management;

3. Conditions must be provided for better coordinating the tasks of individual economic units, and this will allow us to more efficiently overcome strains occurring particularly in material supplies and to improve discipline in accomplishing tasks.

If the tasks set in the decision are well accomplished, we will be able to accelerate progress in utilizing the nationwide achievements scored by the efforts of our workers class and of all working people in the current decade. In that decade, we have multiplied the national wealth and our economy's production capacities.

We have developed the country's raw material basis and modernized the processing industry. We have made a great step forward in developing our towns and villages, as well as the technical and social infrastructure, as was noted today by the reporting deputy. We have trained thousands of specialists and raised the qualification level of cadres. The point now is to make on the eve of the new 5-year period the best possible use of the qualitatively new potential of our economy, created by common efforts, and to prepare it carefully for new tasks mapped out by the 8th PZPR Congress.

The government is confident that the adoption of the proposed decision by the house will help us overcome the present difficulties, consolidate our economy and attain higher efficiency in its development.

BARSZCZ RECALLED FROM POST OF KRAKOW MAYOR

AU031707 Warsaw TRYBUNA LUDU in Polish 1 Jul 80 p 2

["Cadre Reshuffle Chronicle"]

[Text] PAP--In connection with the appointment of Edward Barszcz as minister of construction and building materials industry by the Sejm of the Polish People's Republic, the Council of Ministers chairman recalled him from the post of Krakow city mayor with thanks for his work performed in that post.

CEAUSESCU MESSAGE TO OAU SUMMIT IN SIERRA LEONE

AU031010 Bucharest SCINTEIA in Romanian 1 Jul 80 p 1

[Text of message from President Nicolae Ceausescu to the 17th OAU summit conference in Sierra Leone]

[Text] To His Excellency Mr Siaka Stevens, president of the Republic of Sierra Leone and acting president of the OAU, Freetown:

The 17th OAU Summit Conference offers me, on behalf of the Romanian people and on my own behalf, the pleasant opportunity of extending a warm message of friendship and solidarity to you, to all heads of state and government of the member countries and to the leaders of the national liberation movements present at this important African meeting, as well as best wishes for peace and progress for the peoples in Africa.

The OAU Summit Conference is taking place in an extremely complex international situation, at a time of very serious tension. The peoples' determination to halt the old imperialist policy of domination and oppression and of force and diktat is asserting itself more and more forcefully, as is their determination to develop freely and independently under conditions of peace and understanding. At the same time, following the accumulation of unresolved problems and the emergence of new ones, contradictions between certain states and groups of states and the policy of redividing the spheres of influence and domination are becoming accentuated, something that creates great danger for the peoples' freedom and independence and for international peace and security.

Romania believes that the most important imperative at this point is closer unity and cooperation among peoples and progressive forces everywhere to halt the aggravation of the international situation and to contribute to the resumption and continuation of the trend to detente. Life has demonstrated that the essential requirement of detente and peace is strict respect for each people's sacred right to freedom, national independence and sovereignty and each nation's right to decide its life as it desires, without any outside interference.

The African people have made and are making an important contribution to the assertion of freedom, independence, equality, peace and cooperation on that continent and throughout the world.

Socialist Romania and the Romanian people have granted and are granting active support for the determined actions of the African countries and peoples to abolish any kind of imperialist, colonialist and neocolonialist policy and the policy of racial discrimination and apartheid. They support the African peoples' efforts aimed at strenghtening national independence and sovereignty, at eliminating underdevelopment and all the consequences of long colonial oppression, at ensuring a smooth and rapid development in keeping with requirements of the current socioeconomic progress and at establishing a new international economic order.

Supporting the just struggle of the African peoples to eliminate the last vestiges of colonial domination, the Romanian people are deeply satisfied with the victories won in recent years by the African states that have freed themselves from colonial domination. We hail the proclamation of the new state of Zimbabwe, an excellent crowning of the heroic struggle waged by the Zimbabwe people to whom we wish new successes in consolidating their fatherland's independence and socioeconomic progress.

We are in solidarity with the struggle for national liberation and independence of the Namibian people, whom we grant political, moral, diplomatic and material support, and we express the conviction that under the leadership of the South-West African People's Organization (SWAPO) this struggle will be successful. At the same time, Romania firmly struggles for the complete elimination of the policy of racial discrimination and apartheid in South Africa.

Proceeding from the vital interests of the African peoples, to whom we are tied by close and lasting friendship, and proceeding from the indivisible nature of peace and security in our time, we express the conviction that the African states will do all they can to surmount the tension and conflicts that still persist in various parts of that continent and to resolve disputes by negotiations and peaceful means alone.

In the current complex situation of mankind, strengthening the unity and solidarity of African countries and concentrating efforts at a national and regional level on more rapid socioeconomic progress is an essential condition for promoting the policy of independence and independent development, for excluding any outside pressure or interference and is the only way of resolving the problems they are confronted with in a lasting and stable way.

The lasting ties of solidarity and cooperation linking the Romanian people with the African peoples are of deeper significance today due to the increasingly richer content of relations that have been established between Romania and the independent states in Africa. We are glad to note that these relations are continuously progressing and that are expanding and deepening on the basis of the principles of fully equal rights, respect for national independence and sovereignty and mutual respect and advantage. Our countries are also fruitfully cooperating within the United Nations and in other international bodies and within the group of the developing countries and the nonaligned countries, and they unite their efforts in the struggle to eliminate the imperialist and colonialist policy and defend the peoples' independence and freedom.

The frequent meetings I have had with the leaders of the states and national liberation movements in Africa--both in Romania and in Africa--the talks and understandings adopted on such occasions have clearly shown the determination of the Romanian people and the African peoples to continue to strengthen their friendship and solidarity and to develop cooperation in such fields as the economy, technology, culture and science and cooperation at an international level.

We believe that under current conditions it is necessary to take more energetic action at an international level to put a complete halt to any violation of the African peoples' legitimate national freedom and rights and any form of domination or foreign interference in internal affairs. Along this line, we believe that the OAU has a particularly important role to play in strengthening the solidarity and unity of the countries on that continent, in surmounting certain complex problems dating from colonial oppression and in promoting the cause of Africa's total liberation and of close cooperation and collaboration aimed at independent socioeconomic development.

We believe that greater efforts are needed from the entire international community to eliminate the serious anomaly which is the perpetuation of underdevelopment that characterizes most of mankind. Romania is constantly struggling for and wants to strengthen cooperation with the African countries, with the developing and nonaligned countries and with all states to eliminate the great gaps between them and to establish a new international economic order so that this year's UN General Assembly special session will adopt effective measures in this respect.

As a European country interested in developing the preconditions for peace and cooperation on that continent, Romania is taking action so that the Madrid meeting will end with measures that will achieve security and will promote military disengagement, a reduction in armaments, relations of trust, and free cooperation in the economic, scientific-technical fields between the states participating in the Conference on European Security and Cooperation.

Romania is also struggling for the achievement of disarmament, primarily nuclear disarmament, and solutions to the great problems confronting the present-day world with the participation of all countries, a basic condition for ensuring stability in the world.

With these thoughts and feelings in mind, I express the conviction that the 17th OAU Summit Conference in Freetown will mark a new and important contribution to the cause of the freedom and independence of the African peoples and I wish you complete success in your proceedings.

[Signed] Nicolae Ceausescu, president of the Socialist Republic of Romania

JOINT COMMUNIQUE ON ZAMPIAN PREMIER'S VISIT

AU031525 Bucharest SCINTEIA in Romanian 1 Jul 80 p 5

[Text of the joint communique on the 26-30 June visit of Daniel M. Lisulo, Zambian Prime Minister]

[Text] At the invitation of Comrade Ilie Verdet, prime minister of the Socialist Republic of Romania, Comrade Daniel M. Lisulo, prime minister of the Republic of Zambia, paid an official visit to the Socialist Republic of Romania 26-30 June 1980.

Comrade Nicolae Ceausescu, RCP secretary general and president of the Socialist Republic of Romania, received the prime minister of the Republic of Zambia, who, on behalf of Comrade Kenneth Kaunda, chairman of the United National Independence Party and president of the Republic of Zambia, extended cordial greetings, together with best wishes for personal health, and wishes for progress and prosperity to the friendly Romanian people. Expressing thanks, Comrade Nicolae Ceausescu, president of the Socialist Republic of Romania, in turn conveyed warm greetings to Comrade Kenneth Kaunda, president of the Republic of Zambia, and sincere wishes for prosperity and progress to the Zambian people.

The prime minister of the Socialist Republic of Romania, Comrade Ilie Verdet, and the prime minister of the Republic of Zambia, Daniel M. Lisulo, conducted official talks during which they examined the question of further strengthening Romanian-Zambian relations and certain problems of the current international life.

The two prime ministers stressed the decisive role played by meetings and talks between Presidents Nicolae Ceausescu and Kenneth Kaunda in Bucharest and Lusaka to promote and activate close relations of friendship, militant solidarity and fruitful cooperation between the two countries. Examining the manner in which decisions adopted during such meetings are being implemented, they stressed with satisfaction the achievements recorded in Romanian-Zambian fruitful cooperation in various fields and the constantly upward trend of multifaceted relations between Romania and Zambia on the basis of the treaty of friendship and cooperation. They stressed their governments' determination to continue to act to deepen this cooperation.

The prime ministers believed that within the framework of bilateral economic relations a greater role and share must be played in deepening and expanding production-sharing actions. They decided that geological exploration and water well drilling should be expanded and that cooperation between economic organizations of the two countries in exploring and exploiting coal, nickel, lead, phosphate, molybdenum, hydrocarbons and uranium deposits should be broadened. They agreed that work should be accelerated, so as to resume the activity of the joint "mokambo" company. Stressing that the utilization of natural resources through their industrial processing plays an important role in the development process, they emphasized their countries' interest in cooperating in building a wood-processing complex; copper sheet factories; textile, footwear and ceramics factories; refrigerated storage facilities; and so forth. They also decided to accelerate the construction of an agricultural-industrial complex while organizing and exploiting large plots of land.

Believing that the recent export-import actions taken by the responsible bodies in Romania and Zambia to exchange a large variety of products (tractors, jeeps, trucks, chemical substances, copper concentrates and so forth), are positive steps in the direction of expanding a diversifying trade exchange, the two prime ministers agreed that the governments of the two countries should support even further the expansion of Romanian-Zambian trade on mutually advantageous bases, so that through its scope and diversity it will most realistically reflect the true and continuously increasing potential of the two economies. They agreed that the economic organizations of the two countries should conclude long-term contracts for machines and equipment, fertilizers and other chemical substances, synthetic yarn and fibers, cement and other construction materials, and copper.

To contribute in this manner to boosting Romanian-Zambian economic cooperation and to placing it on increasingly lasting and long-term bases, the two prime ministers agreed to continue to broaden the legal framework of bilateral relations by concluding a barter agreement, an agreement on civil air transportation and other legal instruments in the field of promoting and guaranteeing investments, of avoiding double taxation and so forth.

They stressed that intensified economic cooperation, trade and cooperation in the field of science and technology, education and culture will give an impetus to the national effort made by the two countries aimed at socioeconomic progress.

Exchanging views on major international problems, the two prime ministers stressed the importance and topicality of the views and stands in the political documents signed during the Romanian-Zambian summit meetings.

Stressing their countries' concern for the worsening world political atmosphere, which endangers the peoples' peace, independence and sovereignty, the two sides noted that the situation is the result of an accumulation of a number of unresolved or partially resolved problems, of an intensified trend toward redividing the world into spheres of domination and influence, sharpened economic and political contradictions between states and groups of states, of a new outbreak of the old imperialist policy of force and diktat, and of the violation of national independence and sovereignty. Unprecedented tension has been reached, although at this time a certain attenuation of that tension is being noted. Under such circumstances it is necessary to intensify efforts by all people and all progressive forces everywhere to halt the aggravation of the international situation and to resume and continue the trend toward detente based on strict respect for the principles of equality of rights, national independence and sovereignty, noninterference in internal affairs, nonrecourse to the use or threat of force and the recognition of each people's right to independent development.

The Romanian and Zambian prime ministers also stressed their governments' conviction that international peace and security requires, more than ever, intensified efforts to resolve the conflicts in various parts of the globe by peaceful means and negotiations alone.

The two prime ministers stressed that, through the adoption of decisions aimed at the complete implementation of the Helsinki Final Act and at creating an atmosphere of real trust among states to open up the way to tangible measures for military disengagement and disarmament in Europe, the Madrid meeting this fall will exert a positive influence on the overall international political atmosphere and on peace and security throughout the world.

Examining the situation in Africa, the two prime ministers expressed their countries' satisfaction with the excellent victory won by the Zimbabwe people in their liberation struggle under the leadership of the Patriotic Front and with the creation of their sovereign independent state, an historic event of crucial importance in the Zimbabwe people's life, a momentous event in Africa and at an international level, and an important contribution to the general policy of peace, detente, independence and cooperation among peoples.

The Romanian and Zambian prime ministers stressed the urgent need to ensure Namibia's independence and the right of the Namibian people to freely choose the course of their future development in conformity with their aspirations and interests. They reasserted the militant solidarity and the political and material support granted by their countries to the Namibian people's struggle for freedom and independence under the South West Africa People's Organization's leadership--the only legitimate representative of the Namibian people.

The two prime ministers reasserted their countries' active support for the just struggle waged by the majority population in South Africa to completely eliminate the policy of apartheid and racial discrimination. They energetically condemned the aggressive military actions carried out by the South African racist regime against independent African states and demanded that a halt be put to all violations of those states' sovereignty and territorial integrity.

In referring to the Middle East situation, the two prime ministers stressed that it is imperative to intensify efforts to achieve a comprehensive, just and lasting peace that will bring about Israel's withdrawal from the territories occupied in 1967, a settlement of the Palestinian people's problem by ensuring their right to self-determination, including the creation of an independent state, and by ensuring the independence and sovereignty of all states in that area.

Stressing that disarmament is one of the basic problems on which the very existence of the present-day world depends, the two prime ministers firmly favored the cessation of the arms race, the adoption of measures for disarmament, primarily nuclear disarmament, reduced military expenditure and the utilization of savings achieved through disarmament for socioeconomic construction. They favored the allocation of a part of such savings for assisting the developing countries.

The two prime ministers stressed the need to eliminate underdevelopment and establish a new international economic order. They reasserted their countries' desire to do all they could for the proper preparation and progress of the UN General Assembly special session to be held in August and September of this year so that the overall negotiations that will be launched will contribute significantly to progress in building a new system of international economic relations.

They stressed that in the current very complex international situation, it is necessary to ensure that the United Nations plays an increased role in international life and that it contributes to a greater extent through negotiations in resolving the problems facing mankind.

During the visit, Prime Minister of the Republic of Zambia Daniel M. Lisulo and the officials who accompanied him visited economic units and sociocultural establishments in Bucharest and Constanta County.

Everywhere the guests enjoyed a particularly friendly welcome. They expressed gratitude for the warm hospitality they were given.

The prime minister of Zambia extended an invitation to the Romanian prime minister to pay official visit to the Republic of Zambia. The invitation was accepted with pleasure. The date of the visit will be established later through diplomatic channels.

Bucharest, 30 June 1980.

Lisulo Interview

AU032048 Bucharest AGERPRES in English 1750 GMT 3 Jul 80

[Text] Bucharest, AGERPRES, 3/7/1980--In an interview with LUMEA review on conclusion of his Romanian visit, Daniel M. Lisulo, Zambian prime minister, mentioned the visit to have been crowned with success, first of all in point of bilateral collaboration.

The Zambian minister declared particularly satisfied with the interview he had with President Nicolae Ceausescu. It was a very useful meeting with a great political man, stated Daniel M. Lisulo. Referring to the series of talks he had with the Romanian prime minister on matters of developing the bilateral relations as well as on matters regarding the international policy, he said: I came to believe that there are many similitudes between Romania and Zambia both in point of viewing the international situation and of the problems we meet every day in the economic and social development of our countries.

FRANCE'S COUVE DE MURVILLE ON OFFICIAL VISIT

AU031532 Bucharest Domestic Service in Romanian 1500 GMT 3 Jul 80

[Text] Nicolae Giosan, chairman of the Grand National Assembly [GNA], today received a delegation of the Foreign Affairs Commission of the French National Assembly led by Maurice Couve de Murville, chairman of the commission, who is paying a visit to our country. During the meeting the sides noted with satisfaction the traditional relations of friendship and cooperation between our countries and peoples and stressed their ever upward course on the basis of understandings reached during the Romanian-French summit dialogue. They also stressed the contribution of parliaments and parliamentarians to developing bilateral comprehensive cooperation and promoting a policy of cooperation, within the framework of international efforts for detente, peace and friendship among all peoples.

The members of the French delegation also had a working meeting today with a delegation led by Vasile Pungan, chairman of the GNA Commission for Foreign Policy and International Economic Cooperation, and met with Aurel Duma, minister state secretary at the Ministry of Foreign Affairs.

Ceausescu Meeting

AU051700 Bucharest Domestic Service in Romanian 1500 GMT 5 Jul 80

[Text] Comrade Nicolae Ceausescu, president of the Socialist Republic of Romania, received today at Neptun resort Maurice Couve de Murville, chairman of the Foreign Affairs Commission of the French National Assembly, who is on a visit to our country at the invitation of the Grand National Assembly. The meeting was attended by Stefan Andrei, minister of foreign affairs; Vasile Pungan, minister state secretary and counselor to the president of the republic; and Pierre Cerles, French ambassador to Bucharest.

Expressing complete satisfaction with the opportunity to meet President Nicolae Ceausescu again, the guest stressed that the coming visit of Romania's president to France is awaited with great interest and termed it as an important event to stimulate the traditional cooperation between the two friendly countries and peoples.

In turn, the head of the Romanian state stressed that he is looking forward to his visit to France with interest and that he is convinced that a new meeting with the president of the French Republic will enrich fruitful cooperation between our countries and peoples in their mutual interests and that of the cause of peace and cooperation in Europe and throughout the world.

During the ensuing talk, the two sides stressed the upward course of Romanian-French relations at the political, economic, scientific-technical, cultural and other levels and pointed out that opportunities still exist to continue to expand bilateral cooperation in keeping with the constantly increasing economic potential of the two countries.

On the occasion, the two sides stressed the role devolving on the parliamentarians and parliaments of the two countries in establishing closer Romanian-French relations of cooperation and friendship.

Special attention was given to current international issues. Noting that the world situation is still tense, the two sides stressed that it is necessary for states to act to lessen international tension and to contribute to the resumption and continuation of the policy of peace, detente and respect for national independence and sovereignty and of resolving the state of tension and conflict in various parts of the world by political means and negotiations and to eliminate force and the threat of force from international relations.

In connection with the situation in Europe where military forces and weapons are being increased and where more and more mass destruction weapons, including nuclear weapons, are constantly accumulated, the two sides stressed that the strengthening of security and cooperation on the continent requires intensified efforts to thoroughly prepare for the Madrid meeting, so that it will be a new stimulus to complete implementation of the Helsinki Final Act, strengthen cooperation among European countries, and lead to effective and practical measures for military disengagement and disarmament.

The exchange of views also stressed the importance of proceeding to practical and tangible measures to halt the weapons race and the development of nuclear weapons, measures that will ensure a military balance not by increasing, but on the contrary, by reducing military budgets, weapons and armed forces.

During the talks, the two sides stressed that the development of the international situation forcefully shows that the peoples firmly wish to stop the aggravation of tension in international relations and favor a policy of detente, cooperation and the solution of tension and conflict by negotiations alone. They do not want their countries to be turned into military bases and want to practice an independent policy protected from any interference or from any outside interference into any people's internal affairs.

In this context, the two sides stressed that it is imperative to appeal to a greater extent to the peoples' capability of action and to public opinion, which is a forceful power in the struggle for a positive development of the international situation, by taking into consideration each nation's basic interests. In this context, both sides stressed the increasingly important role devolving on parliaments and parliamentarians in ensuring a positive trend toward detente and peace and in the current international political situation.

The meeting took place in a cordial and friendly atmosphere.

SOVIET PARTY OFFICIALS HOLD TALKS IN BUCHAREST

AU051852 Bucharest AGERPRES in English 1813 GMT 5 Jul 80

[Text] Bucharest, AGERPRES, 5/7/1980--Constantin Dascalescu, member of the Executive Political Committee, secretary of the C.C. of the R.C.P., received on July 5 a delegation of activists of the Communist Party of the Soviet Union led by Nikolay Merenishchev, secretary of the C.C. of Moldavian Communist Party, that are paying a visit to Romania for an exchange of experience at the invitation of the C.C. of the R.C.P.

During the talk, reference was made to the good relations of friendship and collaboration between the R.C.P. and the C.P.S.U., between the two countries and peoples.

CEAUSESCU RECEIVES CANADIAN EXTERNAL AFFAIRS UNDER SECRETARY

AU031912 Bucharest AGERPRES in English 1826 GMT 3 Jul 80

[Text] Bucharest, AGERPRES, 3/7/1980--On July 3, Romania's President Nicolae Ceausescu received in Neptun resort Allan E. Gotlieb, under secretary of state for external affairs of Canada, now paying a visit to Romania.

The guest handed over a message of friendship to President Nicolae Ceausescu from the governor-general of Canada, Edward Richard Schreyer, and renewed the invitation the prime minister of Canada, Pierre Elliot Trudeau extended to President Nicolae Ceausescu to pay an official visit to Canada this autumn.

President Nicolae Ceausescu thanked the governor-general of Canada and the prime minister for the invitation, and requested that greetings of friendship and best wishes be conveyed to them.

During the talk, reviewed were the current stage and the prospects of the relations between Romania and Canada. Both sides assessed that positive results had been scored in the last few years in the Romanian-Canadian collaboration on a political and economic plane, in the use of nuclear energy for peaceful purposes and in other spheres of activity, the determination being expressed to develop still more intensely the collaboration between the two countries, for their economic progress, for the manysided cooperation among all the nations of the world, for general progress, to further expand commercial exchanges and cooperation in production, to confer new dimensions on the Romanian-Canadian collaboration. It was stressed by common agreement that the steady expansion of the relations between Romania and Canada, their cooperation in the international area contributed to strengthening the friendship between the peoples of the two countries, to consolidating peace, detente and security in Europe and throughout the world.

During the interview, questions of the current international situation were also approached. Given the fact that, due to the firm action of public opinion, of a large number of states on all continents international tension started lessening in the first half of the year, stress was laid on the need for all states' intensified efforts towards resuming and furthering the policy of detente, peace, collaboration and respect for national independence. Highlighted was in that context the importance of settling the litigious issues still existing in various parts of the world by political means, by negotiations exclusively, of halting the arms race of passing to tangible measures of military disengagement.

The talks focused on the questions related to the strengthening of European security and collaboration, and in the context highlighted was the importance of the thorough preparation of this year's Madrid meeting so that it should give a fresh impulse to the peoples' struggle for the implementation of the provisions of the Helsinki Final Act as a unitary whole, lead to practical measures of military disengagement, of disarmament, nuclear in the first place. The fact was also agreed upon that the policy of detente and international collaboration implied, as an imperious necessity, the strict observance of each people's independence, of its right to self-reliantly decide its way of life, without any outside immixture, of its legitimate wishes and aspirations for liberty and progress.

The joint wish was expressed during the talks to expand to collaboration between Romania and Canada in the international life so that the two countries should make their full contribution to the settlement of the major questions confronting mankind, to the maintenance of world peace and security, to the promotion of progress and collaboration among all the peoples of the world.

The interview, which passed in a cordial atmosphere, was attended by Romanian Foreign Minister Stefan Andrei and Canadian Ambassador in Bucharest Peter McLaren Roberts.

CEAUSESCU MEETS WITH CYPRIOT PARLIAMENTARIANS

AU041957 Bucharest AGERPRES in English 1800 GMT 4 Jul 80

[Text] Bucharest, AGERPRES, 4/7/1980--Romania's President Nicolae Ceausescu received in Neptun resort the parliamentary delegation of Cyprus led by Alecos Polydorou Mihailidhis, president of the House of Representatives, now paying an official visit to Romania at the invitation of the Grand National Assembly.

During the interview, reference was made to the traditional relations of friendship and collaboration established between the two countries and peoples, and the mutual wish was manifested to steadily develop them. Highlighted was the role of the parliamentarians and parliaments of Romania and Cyprus in developing the reciprocal collaboration on multiple planes, in promoting a policy of cooperation, peace, and international understanding.

International questions being approached, stress was laid on the need for all states, for the progressive forces everywhere to rally their efforts towards lessening tension in the world political climate, resuming the policy of detente, peace, broad collaboration among nations and respect for the peoples' independence. Highlighted was also the importance of settling all interstate litigious issues, and conflictual states by political means, by negotiations.

Special attention was paid during the talk to the building of European security, the fact being assessed that all efforts should be further made to thoroughly prepare the Madrid meeting due this year, so that it should effectively contribute to the translation into fact of the Helsinki Final Act, to measures of detente and security, of disarmament and military disengagement in particular. In this context, emphasis was also placed on the necessity of expanding the relations of cooperation and collaboration among the Balkan states, of building up confidence and strengthening the relations of friendship and good neighbourliness in view of turning that region into a zone of peace and collaboration among peoples.

In relation to the Cypriot issue, it was stressed that a political solution should be given to it through negotiations between the two communities, guaranteeing their peaceful coexistence and cooperation, the observance of independence, sovereignty and territorial integrity, and the unity of the Republic of Cyprus. The interview occasioned an exchange of greetings between Presidents Nicolae Ceausescu and Spiros Kiprianou.

CAR HEALTH MINISTRY OFFICIAL MEETS WITH CEAUSESCU

AU041952 Bucharest AGERPRES in English 1805 GMT 4 Jul 80

[Text] Bucharest, AGERPRES, 4/7/1980--On July 4, the President of Romania, Nicolae Ceausescu, received in Neptun resort Gerard Kimoto, secretary of state at the Ministry of Health of the Central African Republic.

The guest handed over a message to President Nicolae Ceausescu from the president of the Central African Republic, David Dacko, which expresses the wish to further expand and strengthen the economic collaboration between the two states.

President Nicolae Ceausescu thanked for the message and expressed, in his turn, the wish to develop the relations between the two countries, and to broaden and deepen economic cooperation on the basis of the principles of national independence and sovereignty, equal rights and mutual advantage, non-interference in the internal affairs of others.

During the interview, the determination was expressed to consolidate the cooperation in the international arena, in order to contribute ever more substantially and efficiently to the improvement of the international political climate, to the assertion of the policy of detente, national independence, peace and security, to the building of a new world economic order, to the promotion of the ideals of understanding and collaboration among nations.

CEAUSESCU OFFERS CONDOLENCES ON JORDANIAN PREMIER'S DEATH

AU042006 Bucharest AGERPRES in English 1815 GMT 4 Jul 80

[Text] Bucharest, AGERPRES, 4/7/1980--President Nicolae Ceausescu addressed a telegram of condolence to his majesty, King Husayn ibn Talal of the Hashimite Kingdom of Jordan, on the death of the prime minister of that country, Sharif 'Abo al-Hamid Sharaf.

UPPER VOLTA PARTY OFFICIAL RECEIVED BY CEAUSESCU

AU041832 Bucharest AGERPRES in English 1755 GMT 4 Jul 80

[Text] Bucharest, AGERPRES, 4/7/1980--On July 4, R.C.P. General Secreatry Nicolae Ceausescu received Traore Zoumma, member of the National Political Bureau of the Voltaic Democratic Party.

During the talks, the wish was expressed to develop the good relations between the two parties and states, to expand economic cooperation, to broaden their cooperation on an international plane.

Some international questions being approached, stress was laid on the necessity to act for establishing a new international economic order, for rallying all parties and political forces against imperialism, colonialism and neocolonialism against racism and apartheid, for consolidating national independence, for observing people' right to a free development, without any interferences.

The interview occasioned an exchange of messages between Presidents Nicolae Ceausescu and Sangoule Lamizana.

CORRECTION TO JOINT DECLARATION ON ZHIVKOV VISIT

The following is a correction to the item entitled "Reportage on Visit by Bulgarian Chairman Zhivkov" and subtitled "Joint Declaration," published in the 12 June Eastern Europe DAILY REPORT, page H 9:

On page H 16, the sentence beginning on line four of the second paragraph should read: "Simultaneous with the complete cessation of all forms of foreign interference against the government and people of Afghanistan, the Soviet troops will be withdrawn from Afghanistan in accordance with the Soviet Union's declaration."

CORRECTION TO JOINT DECLARATION ON HONECKER'S VISIT

The following is a correction to the item entitled "Documents Issued on Honecker Official Visit" and subtitled "Joint Declaration," published in the 2 July Eastern Europe DAILY REPORT, page H 1:

On page H 7, the sentence beginning on line three of the fifth paragraph should read: "Simultaneous with the complete cessation of all forms of foreign interference against the government and people of Afghanistan, the Soviet troops will begin to withdraw in accordance with the USSR statements."

TESLIC COMMENTS ON PRESIDENT CARTER'S VISIT

AU051840 Belgrade BORBA in Serbo-Croatian 29 Jun 80 p 4

[Vlado Teslic commentary: "The World This Week: Carter in Belgrade"]

[Text] The first visit of a head of state to Belgrade after President Tito's death has confirmed our country's resolution to continue the policy created by President Tito, a policy that has brought Yugoslavia an exceptional international prestige and role. The successful talks with President Carter, the further growth of bilateral cooperation between the SFRY and the United States and the very significant agreement on the principles necessary to resolve certain acute international crises also demonstrate that. Besides, as Federal Secretary Josip Vrhovec stressed in the SFRY Assembly, Tito's policy of peace and nonalignment is of even greater importance in the present world situation.

President Carter's first visit to our country has confirmed that the successful development of cooperation and relations between the SFRY and the United States is based on the lasting and stable foundation dating from Tito's visit to Washington in March 1978. The visit affirmed the importance of nonalignment as Yugoslavia's lasting orientation and as an independent factor in international relations and that has given a new quality to the Yugoslav-American relations.

Carter's visit to Belgrade marks this new spirit and a higher level of understanding between the two countries. President Carter illustrated it by paying warm tribute to President Tito with his impressions about the dignity and courage of the Yugoslav peoples, by his expressions of lasting respect and support for Yugoslavia's independence, territorial integrity and unity, as well as by his conviction that independent and nonaligned Yugoslavia is an important factor in the balance of peace and stability in Europe and the world.

The cordiality, frankness and friendship shared between the highest SFRY leaders, the people of Belgrade and Carter also eloquently speaks of this. The Yugoslav public certainly highly appreciates the reaffirmation of the principles which make Yugoslav-American relations lasting and stable and Washington's readiness to expand economic cooperation and contacts, the U.S. Government's determination not to tolerate any anti-Yugoslav activity on its territory and agreement on the need to make more resolute efforts to resolve international crises in a just manner.

The visit has greatly contributed to strengthening Yugoslavia's international role and prestige in the world. Yugoslavia's constructive role in international life was strongly stressed by the visit and was also expressed in the joint declaration which notes agreement on a number of topical and acute international problems--including the north-south dialogue, disarmament and solution of the crises situations in Iran, Afghanistan, Kampuchea and the Middle East. We attach particular importance to agreement on the need to put an end to military intervention and all other forms of interference in the internal affiars of independent countries.

International public opinion has also understood this and highly assessed Carter's visit to Belgrade. Certain objections to certain aspects of Carter's interview granted to Yugoslav journalists or to his statements made in Belgrade are all the more inappropriate. [paragraph continues]

Yugoslavia does not believe that such differences should obstruct cooperation and the search for joint constructive solutions to crisis situations. Namely, our country does not accept the interpretation that good relations with some countries can be built at the expense of good relations with other countries. It also cannot accept the speculation about Yugoslavia's possible "deviation." Certain insinuations about alleged attempts of someone from outside to turn Yugoslavia away from its independent foreign political course are without foundation. Our independence is our achievement and it is quite understandable that we are both capable and determined to defend that independence.

Signals

Concerning Carter's respect for nonaligned Yugoslavia's specific position and reputation, it is characteristic that he found it appropriate to announce precisely in Belgrade his country's readiness to "find a transitional" solution for Afghanistan.

A transitional solution obviously bears in mind a provisional government which would be acceptable to the Afghan people. What is involved is a new version of the old proposal made in February that also included the formation of UN peace forces that would supervise the provisional solution.

As is known an evolution in the official Soviet positions on solving the Afghan crisis has also occurred. As early as in February, President Brezhnev expressed readiness to begin the withdrawal of Soviet troops as soon as all forms of foreign interference directed against Afghanistan's Government and people ceased. At the beginning of the week, news came from Moscow about the withdrawal of some Soviet units from Afghanistan and that is certainly a step leading toward creating conditions for a political solution of the Afghan crisis.

After Venice, where Carter did not share the positive assessments of the Soviet move with his European allies, the Belgrade statement can certainly be assessed as a signal of Washington's readiness to seek an agreed solution. It is obvious that Carter sees in this entire process an opportunity for activity by the nonaligned countries, the great majority of which declared themselves in favor of a withdrawal of foreign troops, noninterference in internal affairs and preserving Afghanistan's independence and nonalignment.

Yugoslavia remains committed to these positions after the talks with President Carter. That was also manifested in the declaration in which the two sides retain their own views on the manner of solving certain acute crises.

DIMITRIJEVIC ON EAST-WEST READINESS TO DISCUSS EUROMISSILES

AU052130 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 5 Jul 80

[Bojan Dimitrijevic commentary]

[Text] The event in the foreign political field which attracted the greatest attention last week undoubtedly was the 2-day visit of Chancellor Helmut Schmidt to the Soviet Union and his talks with Soviet leading personalities, among them the two highest Soviet Army leaders. The talks held at the beginning of the week have been the subject of commentaries for several days now. We will remind you that Washington was informed first about the results of the talks, then the European Community and then the members of the Bundestag.

Washington's restrained assessment that Euromissiles could be discussed has also been confirmed by the EEC foreign ministers. After that the assessment of Helmut Schmidt's visit to the Soviet Union came from Moscow which was announced by the Soviet party and state leadership. The substance of this assessment is that the Soviet Union is ready to negotiate on nuclear weapons in Europe under different conditions than advocated by the Soviet Union thus far. Through Schmidt, Moscow proposed to Washington talks on not only medium-range missiles, on which a sharp polemic is being held, but also on other nuclear capabilities deployed in Europe. Here is a commentary on this by Bojan Dimitrijevic:

All reactions in the West and the East cautiously indicate that Schmidt's visit to Moscow could (?make an end) to negotiations on Soviet and American Euromissiles. The negotiations (?would later) embrace a reduction of troops and weapons in divided Europe and, if they succeed, they would have a favorable effect on SALT II and SALT III. These are really topics on which world peace depends to a great extent. The first topic--the one about Euromissiles--is the cause of the current tension.

In this connection, both sides are showering the world with their arguments, but the arguments that are supposed to prove who is threatening whom more with his missiles remind one of the futile discussion regarding which came first--the chicken or the egg. This arguing results from the competition of both sides to retain the so-called balance of mutual deterrent. They have been doing it since the war, but instead of achieving a balance, both sides only encourage a spiral of permament crises of military imbalance.

These crises give birth to other world crises. Instead of competing in their own development, both sides are increasing the bill for military effectiveness being paid by those with whose work such effectiveness is achieved. Instead of participating in a uniform development of the world, with their arms race both sides are only increasing the imbalance between the rich and poor nations.It is certain that negotiations would cool down the atmosphere that has been overheated by the present competition on Euromissiles.

If the negotiations also embrace a reduction of troops and weapons in Europe then it would be even more favorable, because the arms arsenals and foreign troops in particular have completely lost their original purpose of mutual deterrence. They only serve the great powers as a guarantee of their presence in their spheres of interest in Europe. If the great powers made a move along the path of withdrawing their troops from the present spheres of interests in Europe, it would oblige them not to spread the arms race to new spheres of interest. This race is encouraged by their mutual recognition of their own inability to secure by the arms race a balance of mutual deterrence and for this reason both sides are trying to compensate for that military uncertainty by spreading their spheres of interest. [as heard]

Afghanistan, Iran, Kampuchea or Angola are all different nonaligned countries, but the same methods are being applied under the veil of different ideologies transformed into the essence of bloc interests.

If Europe enters the talks in order to transform its own unrest into peace, it will not ensure its peace by agreements on Euromissiles and by reducing foreign troops and weapons in its own area unless it also accepts the same right to peace in other areas. Besides, the crisis connected with Euromissiles itself did not remain within the field of Euromissles--that is demonstrated by the case of Afghanistan--and for that reason the solution of the crisis cannot be reduced only to Euromissiles. It is a lesson which cannot be ignored at the Madrid negotiating table.

KUZNETSOV, SOVIET DELEGATION TO PAY VISIT 8-14 JULY

LD061318 Belgrade TANJUG Domestic Service in Serbo-Croatian 0744 GMT 6 Jul 80

[Text] Belgrade--A delegation of the USSR Supreme Soviet, led by Vasiliy Vasilyevich Kuznetsov, first deputy chairman of the USSR Supreme Soviet Presidium and candidate member of the CPSU Central Committee Politburo, is to visit our country from 8 to 14 July on an official and friendly visit at the invitation of the SFRY Assembly. The delegation will also consist of Richard Ivanovich Kosolapov, member of the Soviet of the Union Commission for Foreign Affairs and of the CPSU Central Committee Yuriy Yanovich Ruben, chairman of the Latvian SSR Council of Ministers and candidate member of the CPSU Central Committee; Orazbek S. Kunyshev, first secretary of the Kokchetav Obkom of the Kazakh Communist Party; L.G. Tynel, chairman of the Chukchi Oblast Executive Committee, and (Vladimir H. Sokol), member of the Soviet of the Union Commission for Science and Technology.

The delegation is to have official talks with a delegation of the SFRY Assembly, led by Dragoslav Markovic, president of the assembly. The members of the delegation are also expected to meet with a large number of high-ranking persons in the federation.

During their stay in our country, the Supreme Soviet delegation will visit the Socialist Republics of Serbia, Slovenia and Bosnia-Hercegovina, where they will have talks with representatives of the republican assemblies and other republican officials.

During the visit, the guests will visit several work organizations and cultural and historical monuments in our country.

LUKANOV, BULGARIAN DELEGATION ARRIVE IN SARAJEVO

AU051402 Sofia BTA in English 1906 GMT 4 Jul 80

[Text] Sarajevo, July 4 (BTA)--Continuing his visit to Yugoslavia, Mr Andrey Lukanov, candidate-member of the Politburo of the CC of the BCP and deputy chairman of the Council of Ministers of the People's Republic of Bulgaria, arrived in Sarajevo today. Here he was received by Mr Milanko Renovica, chairman of the executive council of the skupstina of the republic. At the talks views were exchanged on the previous development and the prospects to economic and [words indistinct] between Bulgaria and the [words indistinct] of Bosnia within the overall Bulgarian-Yugoslav economic cooperation. Both parties to the talks expressed their readiness for a further expanding and consolidating the reciprocal economic relations on the basis of industrial cooperation and specialization in production.

VRHOVEC RETURNS HOME FROM CSSR

LD031656 Belgrade TANJUG Domestic Service in Serbo-Croatian 1637 GMT 3 Jul 80

[Text] Bijeka--Josip Vrhovec, federal secretary for foreign affairs, this afternoon returned to Yugoslavia from an official and friendly visit to Czechoslovakia. At the Rijeka airport, Vrhovec was welcomed by Radomir Antonelic, president of the Rijeka Executive Council and Miroslav Krstulja, president of the KRK municipality.

VRHOVEC TO VISIT ITALY 'SHORTLY'

LD041318 Belgrade TANJUG Domestic Service in Serbo-Croatian 1306 GMT 4 Jul 80

[Text] Belgrade--Josip Vrhovec, federal secretary for foreign affairs, will shortly pay an official visit to Italy at the invitation of Emilio Colombo, minister of foreign affairs of the Republic of Italy.

IRAQI INDUSTRY MINISTER AT-TAWFIQ PAYS VISIT

Confers With Marinc

AU031530 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 3 Jul 80

[Text] Andrej Marinc, member of the LCY Central Committee Presidium, has received in Belgrade Tahir at-Tawfiq, member of the Revolutionary Command Council of the Ba'th Party and Iraqi minister of industry and minerals, who is heading an Iraqi economic delegation on a visit to our country.

At-Tawfiq spoke about President Tito and about his importance, not only for Yugoslavia but for the entire world, particularly for the Arab peoples.

Views were then exchanged about the activity of the LCY and the Ba'th Party on the domestic level and on the further development of bilateral relations. Certain questions of international relations and the activity of the movement of nonaligned countries were also discussed.

Meeting With Djuranovic

LD031716 Belgrade TANJUG in English 1624 GMT 3 Jul 80

[Text] Belgrade, July 3 (TANJUG)--Federal Executive Council President Veselin Djuranovic today received Iraqi Revolutionary Command Council member Tahir at-Tawfiq.

Djuranovic and at-Tawfiq noted with satisfaction that political and economic cooperation between Yugoslavia and Iraq is favourably developing wherein a particular contribution is given by frequent and regular contacts and exchange of views between representatives of the two friendly countries.

Particular attention was devoted to the role and activity of the non-aligned movement in addition to the pronounced resolve of Yugoslavia and Iraq, to, in closest cooperation, actively engage and give their contribution to the consolidation of the authentic principles and movement of non-alignment.

INA Report

JN031743 Baghdad INA in Arabic 1715 GMT 3 Jul 80

[Excerpts] Belgrade, 3 July--Iraqi RCC member and Industry and Minerals Minister Tahir at-Tawfiq met here today with President of the Yugoslav Federal Executive Council Veselin Djuranovic.

Earlier, Tahir at-Tawfiq met with Zvone Dragan, vice president of the Executive Council and head of the Yugoslav side to the Joint Committee for Economic and Technical Cooperation. During the meeting, the two officials discussed the promotion of their economic and industrial cooperation relations as well as the progress of work on Iraqi development projects, in which Yugoslav experts are taking part.

LCY'S GRLICKOV HOLDS TALKS WITH TANZANIAN PARTY OFFICIAL

AU052050 Belgrade BORBA in Serbo-Croatian 27 Jun 80 p 12

[Text] Belgrade--Dr Aleksandar Grlickov, member of the LCY Central Committee Presidum and president of the Commission for International Cooperation of the LCY Central Committee Presidium, yesterday had talks with Pius Msekwa, general executive secretary of the Tanzanian Revolutionary Party, who is visiting our country as a guest of the LCY. Msekwa expressed deep condolences over Comrade Tito's death which, as he said, represents a loss not only for Yugoslavia, but also for all peoples of the world, and Tanzania in particular.

In a long, friendly talk Grlickov informed Msekwa about LCY views on the present international situation, on the role of the movement of nonaligned countries and LCY activities in the international field.

MILOSEVIC DISCUSSES VRHOVEC'S NONALIGNED TALKS, WORLD SITUATION

LD041336 Belgrade TANJUG in English 1135 GMT 4 Jul 80

[By Djorpje Milosevic]

[Text] Belgrade, 4 July (TANJUG)--In the present world political and economic conditions, no possibilities can be seen for resolving crucial and dangerous international crises in the framework of bloc rivalries or bloc arrangements. Today, more than ever before, it is necessary to seek solutions along those lines which would promote the stability and security of the world and strengthen the principles of sovereignty and independence of the states, their equality in international relations and the right of every people to themselves, without outside interference, choose their own way of life and development.

This assessment was pronounced late last month by Yugoslav Federal Secretary for Foreign Affairs Josip Vrhovec in submitting to the assembly of Yugoslavia an extensive report on the international situation and Yugoslavia's activities in international affairs.

In the Yugoslav assessment, the activities of the nonaligned countries over the past period were hindered by certain differences in view within the movement regarding some crisis situations and the ways to deal with them. The nonaligned countries, however, were politically very active in the United Nations and other international forums, reaffirming the authentic principles of the movement and goals of the policy of nonalignment. In this way they gave a contribution to a realistic appreciation of the causes of the present deterioration and the search for suitable solutions.

In the concrete consultations held with many nonaligned countries, the Yugoslav foreign secretary said, it was commonly agreed that the nonaligned countries must not remain passive observers in the present difficult world situation. They must confront the new challenges of such a situation and develop their activities regardless of the differences in view. Such an approach is based on the knowledge that activity is the best way for decreasing the existing differences and for consolidating solidarity, political unity and the positive effect of the movement on world events.

Yugoslavia assesses that all the necessary prerequisites exist for the nonaligned countries' activities towards eliminating the causes of tension and renewing detente as the necessary framework for the continuation of endeavours for the establishment of international political and economic relations in accordance with the decisions adopted by the sixth nonaligned summit in Havana. Vrhovec said that in his talks with Indian functionaries, it was agreed that the holding of a nonaligned ministerial conference early next year in New Delhi would be a significant step in this direction. The proposal was later unanimously accepted at a meeting of all the nonaligned countries in New York.

The present international situation is characterized by the use of force in international relations, intensified interference in the internal affairs of other countries, the use of various forms of pressure, military interventions, military build-up and the big powers' rivalry in crisis regions. In Vrhovec's assessment, particularly disturbing is the fact that the renewal of the arms race and stockpiling of weapons in sensitive regions is being linked with ambitions for expanding the existing and gaining new military bases in countries which do not belong to blocs. Yugoslavia considers that all interested countries should take part in negotiations on disarmament. The big powers cannot by themselves decide on disarmament measures which would be obligatory for the rest of the world.

As far as the international economic relations and dealing with the crisis in the world system of economic relations are concerned, Yugoslavia believes that among other things, it is necessary to ensure a more rapid development of developing countries which calls for a more radical change in some traditional approaches of the industrially most developed countries to this question.

Yugoslavia expects that the forthcoming Madrid meeting of the Conference on Security and Cooperation in Europe will contribute toward an even implementation of the Helsinki accords and that it will make a further step toward expanding the general European cooperation. It is very important that a perceptible progress in the military component of European detente be also made in Madrid.

Tito's policy of peace, equitable international cooperation, freedom and independence of countries not only remains the irreplaceable foreign policy of Yugoslavia but it also gains in importance in the present unstable world situation, said Vrhovec. He stressed that the policy of nonalignment is Yugoslavia's permanent commitment which governs its allround international activity.

Yugoslavia is anxious to develop comprehensive cooperation and friendly relations with all countries on the basis of absolute equality and the observance of the principles of sovereignty, independence, non-interference, mutual respect and mutual interest.

Continuing along Tito's road, Yugoslavia will continue to struggle for a more equitable world, for the independence of all peoples and life worthy of man and for the progress of humanity. Yugoslavia's strength lies in its determination to preserve its independence and its way of life, in the unity of its nations and nationalities and in its nonaligned policy. Therein also lies the guarantee that Tito's work will be a lasting one, said Federal Secretary for Foreign Affairs Josip Vrhovec in the Assembly of Yugoslavia.

DJURANOVIC REPORTS TO ASSEMBLY ON SOCIAL DEVELOPMENT PLAN

LD021336 Belgrade TANJUG Domestic Service in Serbo-Croatian 0746 GMT 2 Jul 80

[Text] Belgrade--In the SFRY Assembly Veselin Djuranovic, president of the Federal Executive Council [FEC] has submitted a report on the implementation of the social development plan for Yugoslavia in the period between 1976 and 1979 and on the first assessments of the development this year and in 1981. After recalling that the FEC had submitted to the SFRY Assembly a report containing basic data about the developments and results of the development, Veselin Djuranovic said:

Dynamic development is the characteristic of the 5-year plan period now ended. During the first 4 years of the plan an average annual rate of growth of social product of about 6.4 percent was achieved. Our assessment is that in 1980 the rate of growth of the social product will be 4 percent, so that for the medium-term period as a whole the average rate will amount to about 6 percent, that is to say it will be about one point lower than envisaged. The average annual rate of growth of individual production will be about 6.5 percent.

Employment in the social sector during the past 4 years grew at the average rate of 4.2 percent with an estimate that for the entire plan period employment could go up by 4 percent, half a point above the planned rate. So at the end of this 5-year plan period there will be 1 million more people employed than at the beginning.

Labor productivity in the social economy in the period 1976-1979 grew at the average annual rate of 2.7 percent, and for 1980 a 1.3 percent growth is anticipated, so that its growth for the entire plan period will be about 1.3 points lower than what had been anticipated. The contribution labor productivity makes to the growth of the social product amounts to about 39 percent instead of 53 percent as envisaged by the plan. During the entire 5-year period the average growth rate of the standard of living will amount to 5.1 percent, of personal consumption 4.1 percent and of social standard 6.5 percent. The growth rate of real wages per employee will be about 1 percent, in view of its drop in 1980.

The growth rate of the social product of the economically inadequately developed socialist republics and of the Socialist Autonomous Province of Kosovo will be below the average growth rate for the country primarily because of the lag in development of the Socialist Autonomous Province of Kosovo, whereas it had been envisaged that this development should be faster than average. The last analysis submitted to the SFRY Assembly contains a more in-depth assessment of the development and the reasons for the nonimplementation of the anticipated development. However, despite that, material conditions have improved and the economic potentials of these sociopolitical communities has been stepped up. This constitutes a significant basis for the further development of their economic growth. Nevertheless, it should be pointed out on this occasion too that the development of the Socialist Autonomous Province of Kosovo is lagging behind most in relation to the overall development of the country.

These results of the development of our country [words indistinct] the developed production forces of our society. The technical-technological basis of development has strengthened in particular. New significant production potentials have been established which can ensure a relatively dynamic development during the ensuing period as well.

However, the development dynamic I mentioned confronted us with some problems of a more serious nature. Extensivity is considerably present in the trends of our development. The economic motives of economic operations and the influence of market factors are still limited. Socioeconomic conditions for the development of socialist production relations have not yet been developed to a level that makes possible more dynamic trends of development of production relations on the basis of self-management. The disparity between expenditure and realistically available income has not been reduced. The imbalance on the plane of foreign economic relations has been enhanced. This has manifested itself in the rise of the deficit of our balance of payments and in the weakening of the foreign liquidity of our country. During the past years the buoyancy on the domestic market ran at a very high level making exports difficult and creating the conditions to increase imports, thereby increasing our trade and payments deficit.

The problems are complex and of a long-term nature. They are a reflection also of the overall world crisis and of the developments in the world economy, but the reasons which engender them are to a considerably greater extent of a domestic nature.

The problems we are confronting are partly more conspicuous because it appears that during the preceding years we were too complacent because of the dynamic of our development, of the high growth rates of industrial production, of the high growth rate of employment and of living and social standards. In addition we have taken a fairly declarative position vis-a-vis the demands for economic stabilization: The measures (?we adopted) were not always adequate or comprehensive enough, and the measures taken along the line of striking a balance between expenditure and income were not always consistently implemented.

It should also be mentioned that we are in a uniquely transitional period. A characteristic of this period is the adoption of a great number of important legal enactments in the field of our economic and political system whose implementation should open up more dynamic processes enabling associated labor to take on a decisive role in the overall sphere of social reproduction. During this time however not all socioeconomic conditions have been created which could more powerfully encourage the development of social process on the foundations of self-management. The practical implementation of some systematic solutions is not adequate, while some have been applied only formally. In addition we continue to be confronted also by technocratic-bureaucratic opposition; hence the continued powerfully manifested contradiction between the role of associated labor on the one hand and the state on the other. In conditions of intensified instability in economic developments this contradiction is increasingly coming to the fore by the very fact that specific administrative measures taken were designed to put an end to serious disruption in the reproduction developments, particularly in the sector of economic relations with foreign countries.

There is no doubt, however, that we have at our disposal powerful production potentials and that we have considerable untapped reserves and that the country as a whole can produce a considerably greater national income than hitherto. The main battle has to be fought precisely to increase income because successful trends of economic stabilization can be ensured only by higher income. Instruments of economic operations and in economic measures must be consistently channeled into consolidation of the economic motives of economic operations and into economic foundations for the sake of income-based relations, and for the sake of pooling labor and resources.

Parallel with this, responsibility for the implementation of the policy of economic stabilization must be stepped up, political conduct of all subjects of decisionmaking must be changed more radically and a higher level of unity of action in the implementation of the jointly agreed tasks attained. In this way favorable sociopolitical conditions will be attained for more efficient negotiations between the republics and provinces and for self-management agreement-seeking within the totality of associated labor.

Veselin Djuranovic then referred particularly to those areas where the problems of the implementation of the policy of economic stabilization manifest themselves in the starkest form:

Retarded development of our country's economic relations with foreign countries, particularly our exports, is our basic economic problem and is increasingly becoming a factor restricting the overall development of our economy. During the past 4 years our exports of goods and services grew at the average annual rate of 1.4 percent in real terms (8 percent was envisaged) while imports of goods and services grew at the rate of 3.4 percent (about 4 percent was envisaged). Obviously the envisaged policy of more extensive incorporation into the international division of labor and in international trade has not been implemented, because export and import trends developed considerably more slowly in relation to the growth of world trade within the same period (6 to 7 percent). It is also obvious that our exports, with a mere 1.4 percent growth rate, did not represent a serious development factor.

There is a series of well-known causes of these developments and they were more extensively explained in the FEC report and the analysis of the Federal Institute of Social Planning. On this occasion I would like to stress that the basic causes are insufficient economic motivation and a highly buoyant domestic market, which has to the highest extent discouraged exports and stimulated imports, unrealistic development ambitions which could only be satisfied by raising indebtedness abroad, and inconsistent and inadequate application of some of the systematic solutions in this sphere, as a result of which the creation of foreign exchange was in essence separated from their use. The organizations of associated labor had the least say in this process, though in our system they are the exponent of rights and responsibilities in this field of social reproduction as well.

Apart from this, the social plan of Yugoslavia envisages significant changes in the structure of the economy, in which the activities of particular significance would account for 3.4 percent of the social product of the whole of the economy in 1980 and compared with 30.7 percent in 1975. However, in 1979 this figure was only 31 percent. There are several reasons why the development of these activities is lagging behind. First of all, the circle of these activities is very broad and the socially verified goals and tasks connected with their development were also set too high, hence the insufficient level of organization in the building and the slow rate of completion of the already started projects. Apart from this, as a rule, the concentration of investment funds achieved on the basis of self-management for the building of capacities in these sectors failed to materialize. The immobility of accumulation is very pronounced and there is no investing in these activities because there were greater incentives for investing in the processing capacities.

It should also be recalled that there was a considerable delay in reaching the necessary accords on the development of these activities. The state of affairs certainly had a considerable effect on the export-import developments, leading to higher imports and indebtedness abroad and restricting export.

The problems in the field of energy were particularly aggravated partly also because the necessary conclusions had not been drawn in good time from the 1973-1974 energy crisis, when oil prices rose exceptionally steeply. On the contrary, even after this first crisis we had an excessive tendency to satisfy energy needs with imported oil. It was in that same period that we built numerous energy projects powered by fuel oil and production capacities which use liquid fuel in their technological processes. This led to a still greater aggravation of the energy problem, hence the urgent need for the adoption of a long-term concept of the development of power generation, on which we are working, with the basic orientation toward using domestic sources of energy, economizing and rationalizing the use of energy in general. Of great significance is also carrying out the recently formulated long-term program of energy saving and of the rationalization of the use of energy is also of great significance. We would consider it beneficial if the SFRY Assembly adopted a special recommendation stressing the duty of all the subjects of our society to adopt as soon as possible, proceeding from this general program, their own programs for saving energy and rationalizing its use and to adopt measures and decisions in this connection.

Summing up the experience gained in the course of our development so far, it is necessary to stress on this occasion again that we possess production potentials in agriculture which make possible a considerably higher level of production than the present one, a level which could satisfy both the domestic needs and ensure higher exports. This would have a significant positive effect on the country's balance of payments, while the more considerable production of food would increasingly become a positive condition for the stabilization of economic developments.

This year's yield forecasts are such that, for the time being, one may expect production to be at the level of the average for the past few years. However, it is necessary to point out that at the most one may expect purchases of up to 2.4 million tons, even with the new additional material incentives. This imposes the need for the adoption of special measures in order to ensure higher purchases. However, despite that, it will be necessary to import certain quantities of wheat, which is a burden on the country's balance of payments. In livestock-rearing the more rapid growth of production is expected to continue and satisfactory results also may be expected in fruit and vine-growing.

For a considerable time now the sphere of investments has represented a major source of economic instability. The volume of investments continues to exceed the real possibilities. The structures of the sources of investment funds is exceptionally unfavorable. The structure of the pattern of investing is also inappropriate, because it fails to eliminate the basic disproportions in the economy.

The reasons for this should primarily be sought in the insufficiently developed and applied system of self-managing social planning which should ensure the indispensable harmony of the development programs from the point of view of the struggle for income through the division of labor and through specialization. Likewise, associated labor is to a great extent not yet always the basic factor in decisionmaking on investments. A kind of alliance of management, banking and political factors is very often to be found behind the decisions on investments. This also proves that powerful technobureaucratic relations still continue to exist. All this leads to excessive investing, to an excessively pronounced orientation toward domestic and foreign credits, to a great degree of irrationality reflected in extensive investing on a broad front, to a long activization period and to technology becoming outdated during the process of building.

Setting the problem of the economic structure and the structure of investments acquires a particular significance in the economically insufficiently developed republics and the Socialist Autonomous Province of Kosovo. The problems accompanying the low level of development add further objective complexity to the process of changing and undermining the economic structure and thus also of investing. Efforts have been made in recent years to achieve, even in the more difficult conditions, definitive results in diversifying the structure and modernizing the technical-technological level. However, we cannot be satisfied with the slow rate of pooling resources between the organizations of associated labor from the economically more developed socialist republics and the economically insufficiently developed socialist republics and the Socialist Autonomous Province of Kosovo.

The results in implementation of the policy of stabilization in the sphere of the market and prices are unsatisfactory, especially in the past 2 years. Between 1976 and 1979, the rate of inflation, measured in terms of retail prices, amounted to 14.4 percent. In 1979 it amounted to 22 percent, while according to the present trend it is running at the rate of 30 percent. The causes of the steep rise of prices and the cost of living are numerous: There are disproportionate demands on income for the purpose of satisfying various needs, which forces work organizations to counter such a burden on their income by increasing prices. Development ambitions are very great and the funds needed to satisfy them are sought through increasing prices. The level of productivity and the effectiveness of economic activity as a whole are low, so that income acquired on that basis is rising slowly. For years we have had a buoyant domestic market, in other words high demand, which cannot be satisfied with the funds available for commodity goods, so that this too created considerable scope for the rise in prices. The constant rise in general and joint consumption has strained the structure of prices by raising taxes and contributions.

It is necessary to point out the fact that in the second half of 1979, and in the first half of 1980, the problems encountered in the functioning of the unified Yugoslav market were further increased and aggravated, along with the worsening problem of supplies of war and reproduction materials and the phenomena of the shortage of individual mass consumption goods.

The exacerbation of the balance of payments situation and the shortage of foreign exchange has led to powerful disruptions in the already established reproduction relations, which has led to definite disruptions in the supply of raw and reproduction materials, and thus also in the production process. The imperative need to secure foreign exchange for imports has not only led to the phenomenon of breaking existing business links, but is also having a restrictive effect on the more dynamic and broader process of association on the basis of income.

At the same time, manifestations of monopolistic conduct on the market are increasingly frequent. Protagonists of these manifestations are certain organizations of associated labor in the manufacturing area, and in the trade sector as well, which use the deficit-forming nature of certain products to ask for unwarrented price increases, more and more often by resorting to the would-be self-management agreements. They make sales conditional upon obtaining foreign currency, obtaining funds with term loans and demanding additional payments equivalent to export incentive, channel their sales only to specific areas and through specific organizations of associated labor, withhold sales expecting new prices, and not infrequently unilaterally break off agreements, and so on. The basic reason is undoubtedly the fact that relations among manufacturers, among manufacturers and trade, and the entire chain ranging from production to trade and consumers are not based adequately on long-term interests and on reciprocal income-based links.

The disrupted imbalance of the commodity-money relations continues to be a characteristic of economic development. This disparity is the result of the overextended distribution of the social product. The level of general and joint expenditure is continually going up. The volume of demand by the population does not correspond to the volume of supply in virtually all sectors. The low funds for reproduction and the low level of self-management pooling of funds, coupled with economically unrealistic development ambitions inadequately motivated from the income point of view, drove the economy to seek bank credits as its main source of financing the development, and, in this context, increasingly to short-term credits. All these are the reasons why all the aspects of final demand were exaggerated, with the result that the balance of purchasing and commodity funds has been established as a result of growing inflation, intensified trade and balance of payments deficit, and also as a result of a constant fall of the reproduction material and consumer goods reserves below the necessary level.

During the past 5-year period there occurred on the plain of social development and policy a growth of volume and improvement of the material, cultural and other elements of the standard of living; the requirements of the population for the services of social activities were better satisfied as well. However, the dynamic economic development, based mainly on the extensive method of economic operations, coupled with conspicuous inflationary tendencies and with not insignificant subjective shortcomings, introduced a considerable measure of extensivity and irrationality into the areas of education, health, culture and others, while in some areas of social policy extended rights were acquired beyond the possibilities of real income. In these areas, the budget method of financing is still very much present. Basically speaking, this is the result of exceptionally slow implementation of free exchange of labor in these areas.

In addition to all the indication problems and reasons, I should like to point out that foreign economic conditions were more unfavorable than we had reckoned with at the beginning of the plan period. During the past 5 years, the developments on the international economic scene were marked by a fall or stagnation of production activity, by a high level of oil price increases, by growing inflation in the majority of the countries which are our main trade partners, by monetary fluctuations and by the slowing down of the pace of international trade.

A considerable number of countries reacted to the restrictive tendencies of the world market by introducing or extending protectionist barriers in order to protect their own production and to maintain employment, which had the direct result of further worsening the structure of our foreign trade. The past few years have also been characterized by a high measure of disparity in the balance of payments by many countries, when the greatest part of the burden of balance of payments adjustments had to be carried by the developing countries. For this reason their total indebtedness grew constantly to reach the figure of about $400 billion at the end of last year. An attempt was made to defend the disruption of currency relations by resorting to high rates of interest, which made dearer the use of foreign credits for the development of these countries.

As is known, the policy of economic stabilization is an essential orientation and a quintessential substance of the resolution on social development in 1980.

Defining this policy as being our key task in the struggle for economic stabilization, we opted to take the heat out of the buoyant domestic market in order to create favorable conditions to mitigate and possibly eliminate the internal and foreign economic imbalance, to coordinate all aspects of expenditure with the resources at our disposal, primarily in the sector of investments, to strengthen qualitative factors of economic operations on a broader front, to arrest unfavorable tendencies in our country's trade and payment balance, and in so doing to ensure expansion of exports and reduce imports to the level of our balance of payments possibilities, as well as to adopt measures which will ensure the development and constant consolidation of the economic motives of economic operations and a greater influence of market factors within the context of these economic operations.

The measures taken along the line of the resolution, and the activity taken in organizations of associated labor in the republics and provinces, and in the country as a whole, began to yield certain results. These results were manifested primarily in the gradual reduction of the buoyancy of the domestic market, in the considerable increase of exports whose rate of growth since 1 January this year has amounted to 30 percent, in establishing a balance between the policy of personal income and the basic course of struggle for economic stabilization and, lastly, in the first intimations of a quieting on the investment front. However, an analysis of the economic developments following the first quarter has posed the question of further work on economic stabilization measures, in view of the fact that despite the aforementioned positive results, the negative trends in some key sectors of social reproduction, in terms of their dimension and nature, were such as to carry the danger of further deep-rooted disruptions, primarily in the sector of our country's balance of payments. It should be pointed out particularly that there occurred serious problems in the sector of the current balance of payments, a stoppage in the functioning of the foreign currency market, and increased activity in the quest for additional long-term credits with all the negative consequences following from it.

This means that a situation arose calling for new, more decisive, more concrete and more radical measures in the struggle for economic stabilization. What happens is that all analyses have indicated that import-export trends--should they remain to the end of the year as they were during the first months of this year--would result in the balance of payments deficit being more than double that anticipated.

In addition, the developments in some sectors of expenditure were not in keeping with a policy of stabilization. This refers particularly to general, joint and investment expenditure. In addition, the problems connected with production have become aggravated as well, particularly in those sectors where the imports of raw materials and reproduction material were essential to maintain current production. In this context, it should be stressed that the value of our total imports has gone beyond the framework established by our country's balance sheet. Prices too have increased more than expected. One reckoned with a part of the increase, but the increase was considerably higher in relation to the orientations established by our policy. This was the result of two waves of price increases: one at the end of last year whose effect was carried forward into this year, and another during the past months of this year whose full impact is still to be felt.

For all these reasons, during May the FEC tackled the preparation of further measures of economic stabilization with a view to working out a more comprehensive program of economic stabilization which will also constitute a basis of the new medium-term plan.

The FEC bases its fundamental approach to this on the orientation that all measures must proceed from a standard concept whose basic point is to establish socioeconomic conditions which will ensure self-management organization of associated labor, with all the functions of decisionmaking in the social reproduction trends vested in it by the constitution and by the law on associated labor. Thus in the process of income-based links and of pooling labor and resources, and by undertaking appropriate division of labor, the organizations of associated labor would coordinate their interests and production trends within the overall social reproduction. This implies consolidation of economic motives of economic operations, and a greater influence of market factors. It also implies that reproduction trends and relations be based on an increasingly strong impact of economic laws, and on the most direct possible adaptation of our economy to world labor productivity, and also on self-management decisionmaking within the framework of the system of social planning and extended reproduction.

The FEC also made the assessment that a more comprehensive program of measures should contribute to the implementation of the policy defined for 1980, that it should ensure the continuity of an efficient struggle for economic stabilization in the transitional period leading to the new social plan, and that it should make it possible in this way to totally define the basic instruments of economic operations and the framework of measures of joint economic policy to be contained in the new social plan. Although announced as work to be done in a number of stages, the preparations and the adoption of the comprehensive program of measures represent in essence a unified action which will end with the adoption of a new medium-term plan.

However, since it has been shown that a little more time is required for this, and since the current developments have been unfavorable, with many possible adverse effects up to the end of the year, the FEC made the assessment that it was urgent to pass, as soon as possible, those measures which will have the most direct effect this year and which will primarily have a positive impact on the implementation of our country's balance of payments policy, particularly since it has been shown that other means and measures to maintain and encourage export expansion have been exhausted.

So, as is known, the first step along the line of adopting all these measures was the FEC measure to change the dinar exchange rate. There were many reasons for this: The existing dinar rate of exchange was obviously not stimulative enough for exports, while imports were attractive enough to earn income on the domestic market; the measures taken along the line of encouraging exports proved to be inadequate, and since export expansion is the most important part both this year and next year, it was understandable that the choice of this measure was inevitable; the existing superstructure of the exchange rate, expressed in the system of supplementary encouragements, had already reached a level which substantially infringed the market criteria of economic operations, whereas agreement-seeking about the levels of encouragement was increasingly becoming an expression of subjectivist constructions and compromises; with changes in the dinar rate of exchange, the policy of primary reproduction, too, will get a more realistic basis. Consolidation of economic motives of economic operations and opening toward criteria of world productivity of labor, served also by the change of the dinar rate of exchange in addition to the planning component, should contribute to a measure of reallocation of production factors in those economic activities which ensure a higher foreign currency inflow on a long-term basis. The state of intercurrency relations in the world is increasingly stepping up the need to conduct an active rate of exchange policy which, without this move, would not have had a realistically necessary quality to eliminate the established disparity in price relations.

In recent months, the efforts to implement the policy of economic stabilization were intensified. This created conditions which were more favorable with regard to ensuring the effects expected from this measure. The fact that the adoption of a new social plan is imminent also contributed to the advantage of this orientation in order to more realistically size up the objectives and tasks of development in the ensuing period.

In all these matters the FEC bore in mind the requirements contained in the resolution on social development this year, which resolutely insists that a more active policy of the dinar rate of exchange has to be pursued.

Of course, the change in the dinar rate of exchange in itself does not resolve the problem, and besides, in the absence of other measures, the expected effects could fail to materialize. For this reason, the FEC paid special attention to a study of all aspects of expenditure and price policy in the newly established situation, and of the measures in the sector of economic relations with foreign countries. It is quite undeniable that the attainment of positive results of the change in the rate of exchange of the dinar depends most on an appropriate price policy. In this respect, there cannot and there must not be any vacillation, regardless of the complex nature of the problems and difficulties which we will face. The stabilization policy measures, including the change in the dinar rate of exchange, do not have the objective of satisfying all individual interests and ambitions. Their objective is to make socioeconomic relations objective in the struggle to earn income on the basis of the economic motive of economic operation, and of actual results of labor attained by higher productivity of labor, higher efficiency of business operations, rationalization of labor by pooling labor and resources, and by operating on income-based foundations in general. Price policy must be subordinated to this objective. This also explains the decision to impose a price ceiling and to propose changes and additions to the existing price agreement.

The proposal to change and add to the resolution on implementation of the social plan in 1980 stems, accordingly, from the need to add strength to our orientation on the stabilization course, and along the lines of establishing conditions to ensure the positive effects of the already adopted measures this year. Certain changes are required on some points of the policy already agreed on--as far as personal income is concerned in the areas outside material production, as far as the area of pensions and social insurance is concerned, in the area of prices, and also in the payment and foreign currency balance sheet of our country, and so on. Concrete proposals were made in this direction, while on other points of stabilization policy social action must be stepped up so that the already defined orientations in the resolution for 1980 are consistently implemented to the full.

Djuranovic then spoke of foreign economic conditions and of the basic characteristics of the developments and tendencies in the world economy which are of significance both for economic trends in our country and for the orientations concerning the foundation of development and economic policy next year:

According to latest available data, the social product growth rate in OECD countries this year will amount to 1.3 percent (3.4 percent last year), and also during the first half of the year production will proceed at a pace which will be lower than that in the preceding 6 months. The balance of payments deficit of the countries of this area will reach the figure of approximately $74 billion (last year the deficit amounted to $34 billion). The imbalance of these dimensions will have a mighty effect on international demands, particularly through a reduction of imports from the developing countries.

According to the latest OPEC decision of 1 July 1980, crude oil prices will range from $32--the minimum--to $37 per barrel. As far as the prices of other primary raw materials are concerned, the tepid economic situation will act in the direction of a growth which will be more moderate than last year. However, as a result of the existence of some new factors (intensified political instability, coupled with the orientation to building up stocks, monetary fluctuations, and so on) this assessment cannot be accepted as reliable at the moment. The situation is particularly uncertain as regards the price of grain, both because of the lower production last year and because of the still uncertain outcome of this year's wheat harvest in some important producer countries, which is already having an impact on the rise in the price of corn on the world market.

In the first months of 1980, the inflation in the OECD countries was about 14 percent on the average. The suppression of inflation was accepted as the basic orientation of the economic policy of the industrially developed countries of the West, for which reason they apply restrictive measures even at the price of slowing down production and increasing unemployment. This economic policy orientation of the industrially developed countries carries important adverse implications for our economic developments both this year and next year.

Economic developments in the CEMA countries are also accompanied by definite difficulties. According to the available data, in 1979 the rate of growth of the national income in these countries amounted to between 2.8 and 3.1 percent, and the rate of growth of industrial production in the dominant economic branches of the CEMA countries to about 3.5 percent, which is lower as compared with the dynamism of the rate of growth achieved in previous years. According to the planned tasks which these countries have set themselves for 1980, they envisage a growth in national income of between 3.8 and 4.3 percent. It should be borne in mind that last year their agricultural production was lower than planned, among other things because of unfavorable weather conditions. In this connection it is possible that the increased purchasing of agricultural produce on the world market will restrict their scope for importing other products.

An even stronger manifestation of the fundamental problems of the developing countries is expected in 1980, primarily because of the rising cost of modern technology and the increase in the prices of oil and food. These problems particularly manifest themselves in the oil importing countries, whose balance of payments deficits keep growing and whose size this year will have a still more unfavorable effect on their development. This objectively increases the difficulties in the development of the world economy and trade, and further deepens the existing structural disproportions.

Proceeding from the given appraisals of the situation and of the basic economic developments and particularly bearing in mind the results achieved and experiences gained in the realization of the policy of economic stabilization in 1980, working intensively on the further elaboration and concretization of individual systemic solutions which will more fundamentally facilitate the processes involved in strengthening the role of associated labor and taking into account the already indicated foreign economic conditions, the FEC holds the view that it is indispensable to consolidate the course of the policy of stabilization still further. It must be given a more concrete form and the foundations of the policy of social development in 1981 must also be determined in full in keeping with this orientation. The actual, fundamental orientation toward economic stabilization must become the dominant practice and behavior in all the organizations of associated labor, in all the associations of associated labor, in all the self-managing interest communities, in all the sociopolitical communities.

Under the pressure of the problems created by poor work and low productivity, autarkic development and megalomanic ambitions and the prolonged practice and attitude of living at the expense of the income of others and not on the results of one's own work, we must not and cannot violate the policy of economic stabilization. This does not mean aloofness from real problems, but a thorough comprehension of the causes which led to them, as well as differentiation between the objective and subjective causes and creation of real programs aimed at solving them. At the same time this means a resolute effort to overcome the resistance to the realization of the policy of economic stabilization which manifests itself in one way or another or is caused by one motive or another.

It should also be said that it is quite obvious that in the conditions of the present economic situation it is not possible to satisfy all the interests simultaneously or satisfy them fully. It is important to stress this because of the fact that a multitude of separate interests are harmonized through social consultations and self-managing agreement-seeking. From this arises the pressing need for full responsibility to be shown by all the participants in agreement-seeking and consultations with regard to the timely attainment of accords on questions which at a given moment best express the common interest.

In proposing that the foundations of the policy of economic and social development in 1981 should voice even firmer, fuller and more concrete demands for economic stabilization, the FEC is at the same time proceeding from the view that the foundations of this policy should contain solutions in keeping with the line of the further implementation of the basic legal regulations in the spheres of the economic relations with foreign countries, expanded reproduction, primary distribution, monetary crediting policy, and so forth. This must be the fundamental presupposition of the policy of development for the next year with the aim of ensuring the decisive role of associated labor and with the aim of enabling it to be more and more successful in solving the basic problems arising from social reproduction relations as a whole. In this connection I wish to inform assembly delegates that intensive work is in progress in the FEC, among other things on the following questions, the solutions to which will be proposed as soon as in the course of this year:

On the further elaboration and more complete application of the foreign exchange system, with the basic orientation toward enabling the organizations of associated labor to realize their role as the basic exponent of decisionmaking concerning the development of economic exchanges with foreign countries; on the operation of the balance of payments positions of the republics and provinces with the aim of eliminating certain deformations in their application so that they can as fully as possible be in keeping with the realization of the unified projection of the payments and foreign exchange balance of payments of the country; on defining the policy of raising loans abroad and establishing the appropriate manner and criteria of raising loans, on the elaboration and establishment of the policy of foreign exchange reserves;

On the building of a system of protection in which the customs policy will make it possible, in addition to creating the indispensable conditions for our own development, to also ensure the appropriate effect and influence of competition in the world market; on the efforts to raise the productivity of work and quality of products, in which sense it is also necessary to define the products' regimes, which would have a regulatory effect on only the narrowest list of products, while regarding the rest of the products their function of imposing balance of payments restrictions would be excluded.

On the preparation of the amendments and addenda to the agreement on prices for 1980, with the aim of putting an end to trends toward the further growth of inflation and preventing the change in the dinar exchange rate from setting off a new price rise spiral; on the fullest preparation of the implementation of the new law on the system of prices; and on preparing the fullest analysis of the relations in primary distribution so as to ensure the gradual establishment of the appropriate relations in this field;

On adopting the new law on expanded reproduction and on the necessary measures in the field of investment, which would contribute to the elimination of nonquality sources for financing investments and increase the rationality and effectiveness of investments;

On measures connected with the reevaluation of basic assets and rates of depreciation, which will contribute to the establishment of realistic incomes in the organizations of associated labor as well as facilitating a definition of the policy of interest rates with the aim of reducing the volume of credit relations;

On the further elaboration of the instruments of monetary-crediting policy, especially on questions of the convertability of stocks and bonds, the selective crediting of banks, deficit financing of the federation, bank deposits of the sociopolitical communities and the functioning of house banks.

With regard to our tasks in the next period--up to the end of 1980 and in 1981--the Federal Executive Council deems it necessary to propose the following basic orientations in the field of joint economic policy:

1. Economic Relations With Foreign Countries

The consolidation of export expansion and improvements in our balance of payments must be at the center of our activity throughout the next period. The tasks in this area are exceptionally difficult and the necessary changes are so big that they can be made only through comprehensive planning and well coordinated activity. After arresting the tendencies toward increases in our national trade and payments deficits and increases in our country's indebtedness, we must begin to reduce our deficit and indebtedness. To do this we must strongly support the export orientation of our economy, which represents a current and long-term task both from the point of view of establishing a greater balance in the sector of economic relations with foreign countries and from the point of view of the quality of our overall development.

It should be mentioned, however, that the measures which have been passed and those which are still pending will not yield by the end of 1980 the kinds of effects that will enable them to reduce the balance of payments deficit to within an agreed framework unless imports are further restricted. For this reason a parallel action will be required in the direction of a specific and selective reduction of imports in order to bring the balance of payments deficit into the envisaged framework. This is because, even if we attain these results, which will keep our balance of payments deficit down to $2 billion, it will still be exceptionally difficult to secure the financial resources necessary to cover it.

In assessing the present situation and the basis of departure for material developments in the ensuing period, we hold the view that we should already begin to set ourselves a task for next year--a task which is very ambitious. This is to say that the growth rate of exports should be at least double the growth rate in our industrial production.

This is why, in conditions of important structural and technological changes in the world, we will have to reexamine our production and investment orientation. By eliminating the basic unfavorable consequences of the energy crisis and by relying more decisively on our own sources of energy we must put ourselves in a position during the ensuing medium-term period whereby, on the basis of modern production structures, possibilities can be created to increase the share of our exports in the social gross product of our country considerably and to bring about an appropriate and rational substitution of imports.

Such an orientation will have to be supported by greater efforts from our own scientific establishment. This also requires that more favorable conditions be created for such efforts in the ensuing period. In fact, considerably more resources have to be invested in the development and training of our own scientific-technical forces to make sure this is to a much greater extent incorporated in our economy at the point where it is most difficult to achieve a breakthrough and thus help us become a part of the world economy. Research in the function of technical-technological development in our economy in the ensuing period must acquire an increasingly important place. This demand stems from the undeniable fact that in conditions of sharp international competition only those who can master large-scale production on their own technical-technological basis and who can establish long-term cooperation will succeed. This means that we must resolutely do away with the notion that with obsolete technology lacking specialization and a division of labor, and with a system committed to small-scale production, one-order deliveries, short-term arrangements and cooperation arranged for specific cases we can essentially increase our exports.

In many respects this calls for rearranging production, improving the range and quality of products, different organization and coordinated action in foreign markets. In this sense, we must rid ourselves more quickly of our dependence on obsolete outside technological skill, expensive licences, and, in this connection, neglecting our own scientific and cadre potential, above all there is the need for much greater organization and mutual coordination between organizations of associated labor and for all other bodies in our society to give maximum effect to existing favorable conditions and the greater export interest of both our traditional export articles and in mastering new production for export and for new markets. We must increasingly orient ourselves to the kinds of production needed to constantly increase exports on the basis of high technical-technological skills, more successful exports of capital goods and the carrying out of investment work by increasingly applying the technical-technological progress and criteria of world labor productivity. Tourism, investment work and transportation have acquired fresh opportunities to step up the inflow of foreign currency as a result of the latest economic policy measures. As a result of a more organized action on foreign markets, these activities must take advantage of the increase in their competitive abilities and attain this year and in the years to come a substantially higher rate of net foreign currency income than during the past years. All this implies that economic cooperation with all the regions, and particularly with developing countries, should be continued and further developed.

The practice and policy of raising loans abroad should be thoroughly reexamined, both from the point of view of the manner in which loans are raised and from the point of view of the realistic possibilities for raising loans abroad. It is quite indisputable that in the coming years it will be necessary to aim at lowering the rate of indebtedness. In other words, it is necessary to ensure that the foreign exchange inflow is relatively less strained by annual repayments and interest rate payments for debts incurred abroad.

The raising of loans abroad will have to be done in keeping with orientations adopted in advance, with the proviso that the utilization and channeling of foreign credits should take place in keeping with the policy set in the social plan and in keeping with the country's balance of payments possibilities. It is also necessary consistently to implement the provisions in the resolution which stipulate that foreign financial credits are used for needs concerning the country's liquidity in international payment transactions. Thus we must examine their convertability into dinars in keeping with the accords reached between the federation, the republics and the provinces on the distribution of indebtedness within the framework of the country's balance of payments possibilities.

The coordination and implementation of the balance of payments positions of the socialist republics and the socialist autonomous provinces within the unified projection of Yugoslavia's balance of payments emerges as one of the most sensitive spots in the efforts being made to keep the balance of payments deficit within the agreed limits. This is also of broad significance for the functioning of the entire system of economic relations with foreign countries. In this respect it is necessary to define more precisely the functions of the balance of payments of the republics and the provinces.

It is also necessary to adopt measures aimed at raising the foreign exchange reserves to a level which will ensure the country's full foreign liquidity, striving in this regard to conduct a more effective policy of foreign exchange reserves.

Supervisory production bodies should be organized in such a way that they will ensure the further expansion and growth of the total exchange of goods with foreign countries and a greater openness of the Yugoslav economy in the interest of further strengthening its position in international exchange. The level of protection for domestic production should be comparable with the protection applied by other countries, retaining the elements which protect the established development of economic branches and products and the productivity of work of the domestic producer within rational limits. Likewise, it is necessary to develop and operationally apply other forms of noncustoms protection (standards, inspection certificates and so forth) which will prevent cheap imported products of poor quality from competing unfairly with domestic producers.

In order to promote exports and ensure a more organized activity on the world market, it is necessary for the sections for economic relations with foreign countries to be active and for their work to be further promoted. Greater efforts should likewise be made to enable the joint economic offices abroad to play their real role.

2. The Policy of Prices

As has already been noted, in the view of the Federal Executive Council, one of the main tasks of this juncture concerns the definition of the policy of prices in such a way that it is in keeping with the struggle for economic stabilization. This requires a resolute orientation toward maximum retention of the effects resulting from the change in the exchange rate of the dinar, and toward reducing or restricting new impulses in inflationary trends.

The orientation toward subordinating the policy of prices to the concept of the policy of economic stabilization--immediately, in the course of this year and in the next period--stems from the estimate that this is the sector in which we are fighting what is in many ways the decisive battle for stabilization.

We are in favor of the kind of policy of prices through which we can exert powerful pressure, with the aim of activating internal reserves, raising the productivity of work, rationalizing production, and so forth. I think that this is an essential, fundamental orientation which we must further promote and defend with all means at our disposal. We must also create a generally favourable political climate.

This is also the reason for the FEC's belief that disparities in primary distribution cannot be corrected by means of a price policy at this juncture and in the course of the current year, though the existence of these disparities and the need to resolve them are not disputed. The analyses carried out so far show that in recent years, the price policy was aimed to a certain extent at establishing the appropriate parities in order to realize the orientations contained in the current medium-term plan. However, the problems encountered in this field are not small. We propose that the efforts to use price policy as a means of eliminating disparities should be gradual, in view of the fact that we have before us several years during which we must find a reply to this question.

The intensified and more complete realization of the policy of economic stabilization will create conditions increasingly favourable to the elimination of price disparities. A contribution here will be made primarily by our further opening up to the world economy and to the influence of world productivity on our policy of development, in the interest of overcoming material disproportions in development by ensuring a more rapid development on the basis of our own resources and those production sectors which will reduce the present high degree of dependence on imports. This orientation, then, is in favor of a programmed and gradual settling of these problems in the next years of Yugoslavia's new social plan, bearing in mind all that has happened so far or that will happen in the course of this year.

The FEC feels that within the framework of the establishment of such a price policy, it is necessary to ensure the further functioning of self-managing agreements and accords on prices in those spheres where they were arrived at in a self-managing way, with the proviso that the mechanism of consultations on prices is in keeping with the policy of economic stabilization.

At the same time, the FEC judges that it is necessary to fully consolidate the attitude concerning restoration of all prices which have risen above the limits set by the agreed policy for this year. This has now become a major socioeconomic and political question, and also an indispensable prerequisite for the realization of price policy in keeping with the entire program of the policy of economic stabilization. We are duty-bound to furnish a complete reply to this question as an integral part of our price policy. This will be done by obtaining reports on the extent to which the limit was exceeded, where it was exceeded and to what extent the agreed policy of prices was brought into question. On the basis of this, we will be able to determine the manner of implementing this orientation in price policy.

The FEC holds the view that it is necessary, as early as possible and even in the course of this year, to free and exempt from administrative price fixing those products which do not exercise a fundamental influence on stabilization, and in whose case the relations of supply and demand are such as to ensure relatively more stable price relations. Likewise, it will propose a further reduction in the competences of the federation in the field of prices, and the assumption of these competences by the republics and provinces or other sociopolitical communities.

However, it is of particular importance to carry on with the intensified work on implementation of the new law on the foundations of the system and the social control of prices. The postponement of the deadline for implementation of this law is proposed because the changes necessary for its implementation have not been carried out. Because of this, the FEC has adopted a new operational program of work on preparations for the implementation of this law, with all the accompanying legal regulations. In this connection experience shows that unsatisfactory preparation of individual systemic solutions has very unfavorable consequences. This makes it necessary to make maximum use of the period until the end of the year to ensure that the essence of the systemic law on prices is implemented as fully as possible in practice.

3. Monetary-Crediting Policy

In the resolution on realization of the social plan in 1980, the monetary-crediting policy was given a significant place and an active role within the framework of the measures and mechanisms aimed at achieving the goals of stabilization. It is aimed at stabilizing the monetary flow, slowing down the growth of total demand, and preventing development and consumption from exceeding available real resources and material possibilities. Definite results have been achieved in this respect. The growth of monetary reserves and credit grants has been slowed down, and, generally, the basic trends have been kept within limits which are even a little below the nominal growth of the social product. However, though the banks were provided in good time with the basic limits and parameters on the basis of which they were able to gauge the scope for the planned elaboration and pursuit of their crediting activities and business policy, and to bring them into line with the available credit potential and structure of resources, there still are persistent and stubborn tendencies to exceed the credit ceilings and strive for greater credit expansion. In this connection there is still evidence of violations of the time limit relationship between funds and their investments, and maintaining the overstrained equilibrium between them; with a tendency to maintain the rate at which short-term funds overflow into long-term investments. On this basis, we still have the problems posed by the liquidity of business banks as a whole, and the attempts to solve these problems on the basis of the principle of more generous supplementary funding and interventionism through the channels of primary issue.

There is, however, a clear commitment to the monetary credit policy which aims at a calmer movement of prices and expenditure by slowing down the growth of the monetary reserves and credits. This requires a policy which ensures that the primary issue, credits and monetary reserves, grow slower than the nominal growth of the social product. This must intensify the struggle for a greater economy of monetary resources, and shift the emphasis of the battle for the liquidity of banks onto business banks themselves, which is, after all, their primary role and obligation.

In 1980, the primary issue has been limited to the implementation of the monetary credits policy, and at the same time it has concentrated on selective targets within the framework of the economic policy and also to a considerable extent on monetization as one of the main commitments in the monetary credit system. The pressure to expand intervention through the channels of primary issue seriously contradicted our aims in the policy of stabilization, and our determination to see that credit activity of the banking system falls within the limits of available means. Operational flexibility is always necessary, but the instruments and measures which influence the monetary credit trends must constantly ensure that the policy of primary issue does not encourage investments or support tendencies toward the expansion of expenditure.

The concept of the monetary credit policy for 1981 must retain the orientation that monetary reserves and credits should grow more slowly than the social product, especially as any other commitment would lead to an automatic adaptation of the monetary credit policy to spontaneous trends in the field of prices and growth of production outside the total material and, especially, balance of payments possibilities. In the monetary credit policy, therefore, it is necessary to insist on further consistent coordination between the granting of credits and the real credit potential of the banks, as well as the time structure of the sources of their means. With the help of the policy of primary issue, it is necessary to consistently lead the policy and to direct the banks toward implementation of the basic aims of economic stabilization and selectivity of tasks and aims dictated by the needs of current economic trends. With the help of an early basic course and global orientation in the monetary credit policy, it is necessary to build gradually and in a well thought out manner the elements of our entire system whereby associated labor manages the monetary sphere and has a decisive influence on the monetary issue. It is necessary to work systematically on the constant building of instruments in the monetary field that will weaken excessive credit relations and bring them within the limits of normal and actually necessary relations. In this respect, it will be necessary to have better organizational direction and increase efforts in the search for solutions that will consistently transform the banks into actual financial associations of associated labor.

4. About the Tendencies of Economic Trade and Possibilities of Development in 1981

It is considered that the limiting factors, coupled with the effects of the adopted measures, will slow down the growth of industrial production this year from the envisaged 6 percent to about 4.5 percent. This is proposed as the new framework for the 1980 resolution. The already formed tendency of slower growth, in conditions of an ever-sharper balance of payments situation and in case of a failure to attain the envisaged increase of exports, may however bring about an even lower growth rate, coming very likely close to 3 percent.

According to present assessments, it is expected that the end of this year will be marked by a tendency toward a slow down of production and that this tendency will continue next year. From the budgetary point of view, from the aspect of balanced relations between goods and money and from the point of view of the implementation of the entire concept of the stabilization program, it is necessary to estimate that next year, too, there will be a more modest rate of growth in the social product and in industrial production. These rates will be very likely somewhere around 4 percent. As the budget limitations cannot be expanded, there is no point in hoping that internal demands can again take over the role of a propulsive factor. The normalization of relations between goods and money is now only possible by means of a slower growth rate in expenditures compared with the growth rate in income, coupled with a dynamic increase in exports, which can be the only basis for increased important possibilities and an essential precondition for reviving economic activity.

Proceeding on this basis, the basic commitments in the economic policy for 1981 should be:

Economic growth should be based much more on the qualitative factors of economic activity and technology, and available means on the whole should be better used, while productivity should be increased on this basis;

There should be a firm orientation toward strengthening the export ability of the economy as the most important task, for the economic growth and the solution of many problems in the economy depends on its implementation;

The policy of the standard of living and of the living and working conditions of the working people should be in keeping with the available material possibilities and with the implementation of the policy of economic stabilization, coupled with the introduction of corresponding social policy.

The implementation of aims and tasks in the coming year will, above all, be based on faster linking income to relations of economic activity, on greater economic motivation of producers and on the effects of economic criteria in economic activity using social resources, as well as on more powerful expansion of associated labor and resources which will make possible short-term as well as long-term effects in the entire chain of social reproduction. Socioeconomic conditions, economic instruments and measures of the economic policy will above all encourage those organizations of associated labor which are increasing productivity and more efficacious economic activity, thus improving quality and expanding their assortment of products, thereby strengthening their competitive ability on domestic and foreign markets.

It is especially necessary to point out that the problems connected with the position and development of the organizations of associated labor--which have for years worked at a loss or on the verge of profitability--will also be particularly topical this year and next. The actual economic recovery of this section of production represents, in new conditions, an exceptionally important task, not only of economic but also of social importance. The answer to this question is really possible only within the framework of the next 5-year planning period. It is necessary to make the effort to grasp the actual economic prospects of a production that has not been profitable for many years. In the search for a solution, it is necessary to grasp as concretely as possible the objective and the subjective reasons for the existing situation, characterized by constant losses; to assess the reality of measures which can make possible the process of stabilization in these organizations of associated labor; to examine the conditions for a possible reorientation of production; to realistically assess the conditions of marketing production, and so on. To this end, it is necessary to speed up the work on the adoption of the law on recovery as well as the agreement on guaranteed personal incomes. It is especially important to grasp in good time the situation in the organizations of associated labor working at a loss and also to adopt corresponding measures in good time.

It is also necessary to make a thorough analysis of all allocations from income which are not decided on by workers in the basic organizations of associated labor and to prepare, on the basis of this analysis, concrete programs that will consider above all the possibilities of reducing personal income contributions toward joint and general needs, various funds of compulsory association of resources, insurance obligations, contributions to chambers and other associations, and so on. In brief, it is necessary--on the basis of a thorough analysis of the volume and structure of contributions and allocations from income, net income and personal income in the basic organizations of associated labor--to agree on the need to examine them, so that the income of the basic organizations of associated labor can be rationally used to the maximum.

With regard to a global policy of income distribution, such relations that will increase the funds of organizations of associated labor and as will permit an increase in allocations for accumulation and reserves, thereby permitting a continuation of the positive tendencies in distribution established in 1979, must be established. [paragraph continues]

It is essential that relations in income distribution be established so that personal joint and general consumption rises more slowly than the rise in income and the social product. With regard to the formation of funds and the distribution of personal income, more effective criteria should be established to coordinate personal income with real income and the social productivity of labor. Alongside this, it is necessary to increase efforts toward a further specific elaboration and consistent application of the principle of free labor exchange.

One of the chief goals of our economic policy in 1981 is the accelerated development of economically underdeveloped republics, and in particular the Socialist Autonomous Province of Kosovo. It is evident, however, that the policy of accelerated development of economically underdeveloped republics and the Socialist Autonomous Province of Kosovo will be accomplished in conditions of a slowing down of the growth rate and incentive measures that at present are being revised. There is, therefore, an even greater need for an increase in efforts to associate labor and means of organizations of associated labor in the economically more developed republics and the Socialist Autonomous Province of Kosovo. There is also a need for a greater activation of production capacities already existing in the economically underdeveloped republics and the Socialist Autonomous Province of Kosovo. Within the framework of this policy, a special place should certainly be alloted to the policy of the most rapid possible development of the Socialist Autonomous Province of Kosovo.

5. On the Proposed Rebalancing of the 1980 Federal Budget

The problems of financing the federation are becoming increasingly acute, as is well known. The basic reason for this, again as is known, is that nearly 90 percent of the federal budget is reserved in advance, so that [words indistinct] greater growth of the size of the federal budget from the growth of the social product, given the present structure and method of financing the federation. The budgetary problems have been extremely marked this year. For when this year's budget was being adopted, it was not possible, in spite of maximum restrictions being applied to every provision of the budget, to ensure funds to cover all necessary expenditures. In addition, in the course of this year unforeseen expenses have arisen which demand additional funds in the budget. It has also been proven that not even the revenue earlier provided for will be realized to the extent planned, primarily because of reduced revenues from customs duties and import taxes, which in turn are a result of changes in the special purpose and regional structure of imports. Finally, the recent change in the parity of the dinar will also have the effect, on the one hand, of further reducing budgetary receipts due to a reduction of import components, and, on the other hand, of increasing federal obligations in currency payments abroad.

These are all grounds which point to the need to find additional funds for the needs of the 1980 budget in the amount of 21.6 billion dinars. For these reasons, the FEC has ratified the draft rebalance of the federal budget for this year and submitted it for review and adoption. In this connection, the FEC feels that in the event of a decision for these funds to be provided wholly from budgetary source income and from the contributions of the socialist republics and socialist autonomous provinces--as is in any case provided for by the law on federal finance--this would create considerable pressure for price increases, which would not be in accordance with the economic stabilization policy. The FEC has therefore decided on a draft decision to issue federal bonds. In this connection, the FEC has proposed two variants: According to the first, bonds would guarantee 10 billion dinars, of which 2.5 billion dinars would be provided by increasing the basic trade tax and 9.1 billion would come from contributions of the socialist republics and socialist autonomous provinces.

According to the second variant, 15 billion dinars would be provided by bonds and 6.6 billion dinars would come from contributions of the socialist republics and socialist autonomous provinces. In deciding to issue bonds, the FEC also took the position that previous practice should be considerably changed. It is now in fact proposed that the bonds be purchased from the funds of business banks, which would approach market conditions with regard to interest rates and repayment schedules.

6. On Some Aspects of Socialist Policy

In the conditions of an augmented struggle for economic stabilization, social policy as a whole should be thoroughly reviewed and defined in order for it to offer more complete answers to open questions.

Taking a long-term and global view, the most important task is to create conditions that will guarantee satisfactory employment levels. The current medium-term plan has scored considerable success, although the number of unemployed is still growing, particularly in some regions. In the new conditions imposed by an augmented struggle for more intensive and high-quality development, the problems of employment will appear in a rather more acute form unless a long-term program for a continuous solution of this problem is drawn up in all sociopolitical communities. The adoption of a new social development plan presents the opportunity for this to be done in the best possible way. This task is particularly important for the economically underdeveloped socialist republics and the Socialist Autonomous Province of Kosovo. The solution to this problem is closely linked with the development of the economic structure, that is, with the plans and programs of medium- and long-term development. Economic development in the under developed socialist republics and the Socialist Autonomous Province of Kosovo must be more fully worked out and conceptualized in a more integrated way from the standpoint of creating conditions for greater employment. The present difficult economic structure does not allow sufficient scope for a better employment policy.

The development of small-scale firms is still in its infancy. In some areas, there is a lack of decisive orientation in this respect. The state or organization and the capacity for programing the development of the small-scale firm, for relating it to market needs and coordinating it with overall development does not correspond to the present stage of development and the solution to the employment problem.

In the forthcoming period increased efforts are essential, as are investments, in the development of modern agricultural production, especially through production cooperation by means of which broader conditions should be created for the realization of income. Thus there should be a considerable amortization of the pressure upon employment in industry and other activities by the labor force from rural areas. The opportunities for development in this regard are not noted to a sufficient degree in certain regions, as is confirmed by the lack of a clearly and specifically elaborated policy and measures that would have a positive effect on the development of agricultural production and the realization of income on this basis.

In addition to all this, demands relating to a clearer definition of the real extent of unemployment must be put forward more decisively. Much of our data indicates that many among the unemployed are unwilling to contemplate greater territorial mobility, while another section is unwilling to accept certain types of jobs. There must be a further elaboration of agreements on this, but it is also particularly important that they should be decisively and consistently applied.

Assessing the problem as a whole, and also on a long-term basis, the continuing considerable discrepancy between actual cadre requirements in all fields of social development on the one hand and the structure of education on the other represents a serious question. Many indicators show that tens of thousands of unemployed people cannot be included in the economy because their profile of technical education does not correspond to the needs of the economy or other social activities. Finding a solution to this problem is a task of the first importance. It seems necessary to grasp the needs and programs for gaining additional qualifications or new qualifications on the part of the presently unemployed who have a certain level of technical education. This problem should be dealt with during the preparations for the adoption of the new social plan, and a corresponding policy and measures should be determined to make the overcoming of discrepancies in this respect possible.

A resolute determination to consistently implement the agreed policy on prices and thus to reduce the pressure on the rising cost of living is undoubtedly of the greatest importance. This is an essential and decisive condition for preventing the deepening of our social problems, especially with regard to the position of employees with low personal incomes. The policy of personal incomes, in keeping with the demands of economic stabilization, and the policy of prices, which is also subordinated to the policy of economic stabilization, are mutually and deeply connected and interdependent. An increase in prices above the agreed framework would not only make the solution of certain social problems more difficult but would also have exceptionally unfavorable consequences for the entire policy of economic stabilization. A breach of the price policy would cause a chain reaction on a wide front with regard to the cost of living, and, of course, production costs, thus bringing into question the basic commitments of the policy of stabilization.

Attention should especially be drawn to this problem because the battle for stabilization must necessarily be based on the material stimulus of the workers and because the demand for greater productivity and greater effectiveness in business operations cannot be reconciled with a greater fall in real personal income. If one reckons with certain self-denial, then this corresponds to the demands that everyone must carry a certain part of the burden in the struggle for stabilization. However, should it come to a more considerable fall in real personal income, then this would very likely weaken the economic and political motivation to implement the policy of economic stabilization. The policy of personal income, therefore, must be led with greater responsibility, in a differentiated manner and in the greatest possible harmony with the results of work, trying to ensure by comprehensive measures that the real personal income retains the greatly needed material interest in greater productivity and greater results in the struggle for income. Should this not be so, the danger of a more pronounced levelling-off in remuneration would increase.

Within the framework of efforts and measures which should be taken to reduce the threat to the standard of living, the measures and activities in the field of supply have a special place. This is already in evidence in the present phenomenon of shortages of certain goods on the market.

The reason for the shortage of certain goods lies in the fact that there is not enough foreign currency available for importing certain goods (coffee, citrus fruit, certain medicines and so on) or for importing certain raw materials and reproduction materials for the production of certain goods (detergents, certain medicines and so on) because it is largely spent on the import of other goods.

The complexity of the situation is best shown by the fact that with a real increase in exports of about 11 percent it is not possible to ensure the acquisition of a corresponding amount of the necessary foreign exchange. This is the reality facing us. The way out now lies in the reorientation of the use of available foreign exchange, or imports, carried out within the framework of self-managing interest communities for economic relations with foreign countries in the republics and provinces. This should be done in two respects: One, by compulsory direction of a part of foreign exchange for the import of raw materials and reproduction materials for the production of critical consumer goods, including medicines, detergents and so on. And, two, by allocating a part of our foreign exchange, usually used for the import of consumer goods, for importing a limited number of consumer goods extremely necessary to satisfy daily needs. The way out in this respect cannot be sought in the establishment of some special foreign exchange funds at the federal level, but, as already outlined, in using foreign exchange for the solution of these problems.

In the entire policy of supply, the system of long-term agreed relations between the producers--that is, a high level of self-managing organization and income linking everywhere in the chain of relations--and traders and consumers is exceptionally important.

Progress has been achieved in this respect, but we cannot be satisfied with this. In the new conditions, it is necessary to grasp the fundamental basis of all these relations and to promote them. Within this framework, it is necessary to strengthen the function of market reserves and also to adopt some additional measures for the purpose of a better and more efficacious functioning of the institution of market reserves in big consumer centers.

In conclusion, the president of the FEC said:

The FEC considers that we are all facing very complex and responsible tasks with regard to the implementation of the policy of economic and social development this year as well as the determination of this policy for 1981. In this connection we have to bear in mind that at the same time intensive work concerning the adoption of the social plan of Yugoslavia's development for the period 1981-85 is going on. Therefore the responsibility for the timely implementation of these tasks is so much greater. It is therefore necessary to arrive by joint effort and work in the SFRY Assembly at jointly determined assessments and stances that will represent a clear platform for the preparation and the adoption of the resolution on economic and social policy for next year and the documents which will accompany it.

Assembly Supports Report

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[Excerpts] Belgrade--The delegates of the SFRY Assembly Chamber of the Republics and Provinces gave their support today to the report delivered by Veselin Djuranovic, president of the Federal Executive Council (FEC), on the realization of the Yugoslav social plan in 1980.

At the session, chaired by Zoran Polic, the chamber adopted a report on association of labor and means. It was emphasized that the desired effect has not been achieved in this area, even though this process is one of the bases of further development [words indistinct].

The socioeconomic position of the economy has worsened not only because the economy disposes of a low level of the social product, but primarily because of the fact that it has never before come under the blows of as many administrative measures, at various levels of decisionmaking, as it does today. The exacerbated socioeconomic position of the economy is more the result of exaggerated administration for administration's sake at various levels of decisionmaking than the result of having at its disposal a low level of the social product--Berislav Sefer (Socialist Republic of Croatia) considered. He then advocated more consistent respect for the system in the sphere of economic relations with foreign countries, in acquisition and distribution of income, in banking and in the credit and monetary sphere, prices, planning and so forth, for this is the only way to extricate ourselves from the present situation and embark on the path of more stable development.

Continuing the session, the delegates debated association of labor and means, particularly between organizations of associated labor of the economically developed republics and the Socialist Autonomous Province of Vojvodina, and the economically underdeveloped republics and the Socialist Autonomous Province of Kosovo. The FEC data was the basis for the discussion on these problems.

The opening report was delivered by Spasoje Medenica, director of the Federal Institute for Social Planning. He pointed out the modest results of association of labor and means in the recent period, both as a whole and also within the framework of the federal fund. Of all investments currently in progress, only about 56 billion has been provided through association of means. In the total value of all current investments, associated means count for only 5.4 percent, just 1 percent higher than a year ago. And it is to a great extent obligatorily associated means involved here.

Jelka Zeker (Socialist Republic of Slovenia) put forward a question on the supply of detergents to the market, which gave rise to a very lively debate. The question was: What measures have been undertaken to normalize supplies of detergents, and why has it been necessary to wait so long for this problem to be resolved by intervention imports, instead of timely action being taken for normal progress of domestic production?

The basic cause for the momentary disruption is that the interest community of the republics and provinces for economic relations with foreign countries has not ensured sufficient foreign currency funds for imports of raw materials--answered Imer Pulja, federal secretary for the market and general economic affairs. Pulja also said that detergent prices had been increased by 16 percent.

Since Jelka Zeker was not satisfied with this answer, she demanded a debate of the shortage of detergents. The delegates accepted this proposal, and the question was entered on the agenda of the session of the Chamber of the Republics and Provinces.

The chamber adopted amendments to the law on the bases of the pricing system, and on social control of prices, which extend the validity of the law until the end of 1980. The total amount of funds for finance of the program of development and modernization of the technical base of radio Yugoslavia was established. A draft law was confirmed on the ratification of agreements on the guarantee between the SFRY and the International Reconstruction and Development Bank.